
The County Executive's Recommendations



on the
FY 95 Annual Growth Policy
and the
FY 94 Annual Growth Policy
Amendment

May 16, 1994

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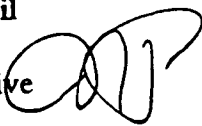
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M E M O R A N D U M

May 16, 1994

TO: William E. Hanna, Jr., President
Montgomery County Council

FROM: Neal Potter, County Executive 

SUBJECT: Comments on the FY 95 Annual Growth Policy
and Proposed Policy Amendments to the FY 94 Annual Growth Policy

I am pleased to transmit my comments related to the Annual Growth Policy (AGP). Two AGP documents are currently under consideration.

1. **The Final Draft FY 95 AGP** includes proposed ceilings based on Council actions on the FY 95-00 Capital Improvements Program; and,
2. **The FY 94 AGP Amendment** includes several recommendations for amending the methodology for determining the adequacy of transportation facilities through both the policy and local area review processes.

The Planning Board and Planning staff are to be commended for the extensive work the staff has done to examine the policy changes suggested by the Council. The proposed policy changes are technically sound and should be given careful consideration. However, the primary focus of my concerns is with the results of the proposed changes and the long term effects on development in the County.

Attached to this memorandum is a report by Executive staff which analyzes the Planning Board's proposed ceiling recommendations and policy changes and gives a detailed update on market and development trends in the County. This analysis indicates in general terms that while recovery from the recession is continuing in the County, the rate of recovery is much slower than in other parts of the region. While the pace of development was over-heated in the 1980s, the current levels are well below the moderate level of development that is desirable.

- Completions of new office space in 1992 declined to less than 600,000 square feet or about one-fourth the average level of office development since 1979. Total nonresidential completions in 1992 at about 1,000,000 square feet were down to one-third of the 1991 level of construction.

- Residential building permits in 1993 were 10 percent below the 1992 level. At 3,100 units, residential building permits in 1993 were less than half the average residential building permits issued since 1981.
- Permits for multifamily housing in 1993 were issued for only 434 units compared to the annual average of 1,600 multifamily units since 1981.
- New home sales have increased in the County by 21.5 percent since the market bottomed out in 1990. The regional total of new home sales has risen by more than 62 percent over the same period.
- The County's share of the regional residential market is continuing to decline from a high of 34 percent in 1982 to only 11 percent in 1993.

EXECUTIVE COMMENTS AND RECOMMENDATIONS

FY 95 Recommended Ceiling Capacity

Because there will be adequate capacity to accommodate future growth projected for the short-term, I recommend that the Council adopt the FY 95 AGP ceilings based on existing AGP practices with the following exceptions:

- (1) Defer adding ceiling capacity to the Kensington/Wheaton policy area for the new Glenmont Metro Station. The station is not totally funded in the first four years of the Metro expansion program. There is currently adequate capacity for projected short-term growth in this policy area, and the Glenmont Sector Plan, currently in progress, will provide guidance in the appropriate allocation of the capacity that will be created by this transit improvements.
- (2) Defer creating a new Clarksburg policy area until next year. It is premature to create this new policy until after the Clarksburg Master Plan and sectional map amendments are adopted. At that point, the Council will have a better idea about how to set up the policy area and how to allocate future capacity based on the staging concepts recommended in the plan. Current limitations in sewer capacity will delay new development for a few years, so this deferral should not impede the development of Clarksburg.

I support the proposed transfer of ceiling capacity from Bethesda/Chevy Chase to Bethesda CBD. This conforms to the recommendation in the Bethesda CBD Final Draft Sector Plan and is consistent with my testimony to the Planning Board on the Preliminary Draft amendment. This kind of transfer of net remaining ceiling capacity may be appropriate in some

other policy areas and could be considered in future AGP reviews to facilitate the effective use of available capacity for desired development objectives and the County's investment in transportation facilities.

The Council may wish to consider some changes in some limited circumstances to the proposed FY 95 ceiling allocations:

- (a) to address situations where the transportation capacity exceeds the zoned holding capacity in a policy area or master plan;
- (b) to improve the County's ability to meet near-term market conditions by shifting jobs ceiling capacity to housing ceiling capacity or by transferring net remaining capacity between adjacent policy areas as was recommended for the Bethesda CBD.

Proposed Amendments to the FY 94 AGP - Policy Area and Local Area Review Changes

The motivation for the proposed policy changes to the AGP methodology is two-fold. First, there was the desire to remove the limitations on development in some policy areas constrained by congested freeways largely carrying through traffic. Second, there was the desire to make both the policy and local area review processes more sensitive to changes in transit service. The benefits and drawbacks of these two proposed policy changes are generally the same.

Some of the benefits of the proposed changes from the County's perspective are:

- (a) they create significant amounts of new capacity without spending any money;
- (b) they bring some areas out of moratorium; and
- (c) under the proposed freeway change the County could make better use of its scarce capital program monies.

In general, the proposed policy changes may erode the public confidence in the AGP:

- (a) because the added capacities are very large;
- (b) because these increases in capacity are not related to any physical improvements to the transportation system;
- (c) because the proposed changes are technically more complex than the existing system which is already complex;

- (d) because use of the Total Transportation Level of Service (TTLOS) technique results in added capacity in Policy Areas with less total transit service; and
- (e) because the freeway proposal in particular could loosen the link between where transportation improvements are made and where capacity could be allocated (additional guidance may be required to limit this possibility).

There is concern that the strictly mechanical application of the new freeway counting and TTLOS tools could result in a numerically balanced transportation-land use system that fails to adhere to major policy goals. Because the amounts of ceiling capacity created by the proposed policy changes are so significant, we need to be confident that they will work the way we expect them to. Before the Council adopts changes of such significance, there needs to be more confidence that the changes will result in more concentrated development around transit stations, and undo the effect of blocking development in areas adjacent to but not dependent on freeways. To achieve this:

- (a) There need to be better links between the cooperative forecasts, the master plans, the holding capacity and the annual growth policy.
- (b) Other policies besides deficits need to be taken into account in allocating staging ceiling capacity. In particular, there needs to be a recognition that AGP ceilings that are not in tune with the market can inhibit the ability of the private sector to implement the County's master plans.
- (c) The projects in the pipeline need to be reviewed for their economic viability so that we can develop a better estimate of our near-term transportation needs. Fixing the pipeline was one of my top priorities in last year's growth policy. It remains a critical concern this year.

1. The Freeway Modification Proposal

I have been concerned for some time that the AGP puts too strong a relationship between freeways and the local road system. The proposed freeway modification may be feasible if the additional capacity it creates can be reduced to a more reasonable level. Even though this modification for counting freeways in the AGP could benefit the County because of its implications for capital programming, it could also have several undesirable effects. On the positive side, local roads would not have to be over built at County expense to compensate for the freeway congestion on some links. On the other hand, the proposal to apply a single Level of Service (LOS) Standard to the entire freeway system would allow links that are less congested to offset for those links that may actually be failing. In addition, the large amount of new capacity "created" by this modification without any improvement in the transportation infrastructure is troubling.

I would suggest that the Council request additional analysis of this proposal and ask the Planning staff to work with Council and Executive staffs to address these issues. It may be possible to modify the proposal so that no link in the freeway system is allowed to fail while still maintaining an overall, systemwide LOS standard. If a segment of the freeway system fails then total allowable new development levels would need to be reduced in one or more policy areas. Or the County could allow less congestion by raising the proposed "D/E" LOS standard for the highway system to a "D" LOS standard even though this may put some policy areas into moratoria. The intent of the Planning Board proposal was to ensure that no new moratoria would be created. It would also be useful for the Council to consider an option which results in less overall ceiling capacity increases, even if one or more policy areas are placed in moratorium.

2. The Total Transportation Level of Service (TTLOS) Proposal

This proposal is intended to make the policy area transportation review more sensitive to changes in the transit levels of service. However, the effect of this modification is to increase the available capacity in areas with a low level of transit service and decrease the available capacity in areas with a higher level of transit service. This is because the proposal sets a single Countywide LOS standard. Therefore, the LOS standard in an existing Transit Level of Service Group 2 or 3 policy area would be raised, allowing more congestion and thus more development, and in Group 5 and 6 policy areas the LOS standard would be lowered and the capacity for development would decrease or stay the same. 425

While this proposal could possibly be modified, I can not recommend the Council adopt it as long as the outcome has such an adverse effect on policy areas with a high level of transit service. What this modification does in the way of making the model more sensitive to future transit improvements, it more than counters by adding capacity (and therefore allows development) in the policy areas with limited transit services.

3. Both Proposed Policy Area Changes

The Planning Board recommended that both modifications be adopted. They tend to offset the impacts of each other but this does not sufficiently mitigate the impact on the AGP to justify adopting both proposals. I would recommend that the freeway modification be reviewed further and adopted in some form if it can address my concerns about the large amount of new capacity created without any improvements in the transportation system and the effect of averaging across the freeway system Countywide.

Changes in the Local Area Transportation Review Process

I recommend the adoption of the four local area transportation review changes proposed in the AGP policy document with some suggested refinements.

(1) Varying Congestion Standards on Local Roads by Policy Area Transit Availability

Similar to current policy area review practices, in this proposal, greater congestion could be tolerated in policy areas well serviced by transit. This would done varying the maximum Critical Lane Volume (CLV) permitted based on transit availability. Where current practice is to limit the maximum CLV to one of three standards, the proposed methodology would establish seven groups of policy areas based on transit serviceability and set a specific CLV standard for each group.

I support the varying of congestion standards as proposed.

(2) Establish Adequacy for Pedestrian Transportation

This recommendation would complement the current traffic impact analysis with a pedestrian impact analysis. The pedestrian analysis would ensure pedestrian safety and mobility by requiring projects plans to include improvements to provide a safe and convenient path between the development and major activity and transit centers within a quarter-mile radius.

I support an adequate public facilities test for pedestrian mobility and safety with a provision that it be implemented with as much flexibility as possible. The variety of circumstances will necessitate that the sidewalk requirements be negotiated on a case-by-case basis with flexibility and consideration for costs to both the private sector and the County, the availability of rights-of-way, and creative ways to meet the needs of pedestrians. The County DOT should be given a signoff on these improvements to ensure coordination of these improvements with County sidewalk improvements and to ensure pedestrian safety.

(3) Enabling Flexibility by Transportation Enhancement Points

Meeting congestion standards can, in some cases, be impossible or extremely costly. This proposal would allow up to 10 percent of trips generated up to a maximum of 50 trips to be voluntarily mitigated by construction of non-auto transportation enhancements. Under this proposal, such enhancements are limited to construction of sidewalk and bus shelters.

I support allowing flexibility in transportation enhancement points because it could encourage non-single occupant vehicle alternatives. I favor the concept of providing non-SOV enhancements, either on- or off-site, and I would hope that a wider variety of enhancements, and thus a greater degree of flexibility, could be proposed for future consideration.

(4) Reflecting Mode Usage in Vehicle Trip Generation Rates

This proposal allows for trip reduction factors to be applied to projected traffic volumes for new multifamily and large retail (greater than 100,000 square feet) development proposals near transit stations, as currently allowed for general office projects. These reduction factors would be reduced with distance from the transit station. In addition, a five percent reduction in trip rates would be allowed in neighborhoods which meet urban design guidelines which encourage transit usage and provide a pedestrian friendly environment.

I support allowing modifications to the trip generation rates under the criteria outlined in this proposal, but would recommend that there be a follow-up analysis for a better empirical determination of the trip reduction factors. The trip reduction rates could be set slightly above the actual levels experienced in Metro station areas to encourage development and pedestrian and transit enhancements. As a follow-up to this change, Planning staff could review the reduction of parking requirements for multifamily residential projects in Metro station areas. The urban design criteria should include standards that would increase transit usage by improving visibility of bus stops and user-friendly schedules and route maps.

Executive staff will be available to work with the Council, Council Staff and Planning Staff to revise these proposed changes to the AGP.

NP:sns

Attachment

COUNTY EXECUTIVE'S COMMENTS AND RECOMMENDATIONS

ON THE

FY 95 ANNUAL GROWTH POLICY CEILINGS

AND THE

FY 94 ANNUAL GROWTH POLICY AMENDMENT

**MARKET TRENDS AND
ANALYSIS OF GROWTH POLICY
RECOMMENDATIONS**

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MARKET TRENDS

MARKET TRENDS: Real Estate Development Trends in Montgomery County and the Washington Region — 1981 to 1993

INTRODUCTION

In reviewing the Annual Growth Policy, it is important to review local market trends and the relative performance of the County in the regional market. The economy is the engine that drives the development that will be built in the County and creates the demand for public services and produces the new revenues to allow the County to support the public improvements and services needed by the community. While local government policies can not create a market for development, policies can create impediments to a weak market or incentives to influence the makeet that does exist.

Montgomery County survived the boom period of the mid 1980s and the recession of the early 1990s by creative planning and careful fiscal management. However, the County's economy has not recovered from this cycle as quickly as other areas of the region. New home sales have increased at one-third the rate of the region. Job creation has been slow — at-place payroll employment has not recovered to the pre-recession level of 1989.

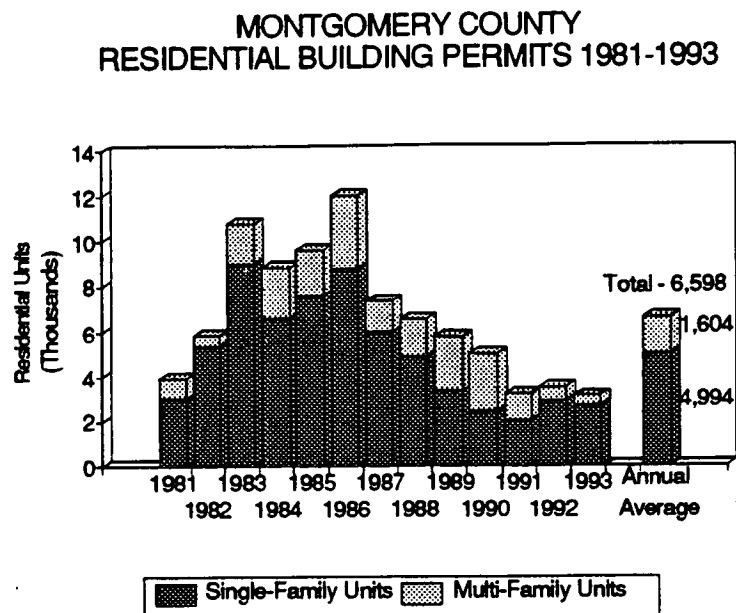
Nonresidential development has dropped significantly since 1986. While the new space constructed during the last decade has been absorbed by the market, there is a significant amount of Class B and C space that is vacant and will be difficult to lease due to functional obsolescence. Also relatively low rents for the higher quality, Class A space in the region continue to make this space more appealing. New office construction for the balance of the decade will be limited to build-to-suit projects for large single users with perhaps some very limited speculative construction only in the best locations. Retail construction will also be limited to build-to-suit projects for large discount users, small expansions of existing centers, and a few neighborhood and community centers to serve newer residential areas.

Housing construction is down, particularly for multi-family development. High rise residential projects are particularly difficult to develop due to high construction costs and stagnant rents. Condominium sales have stayed fairly strong and Montgomery County should continue to have a large share of the regional market. However, this market is not likely to expand and the County's share is so large (25 percent of the regional market) that it would be difficult to increase the number or share of condominium units in the future. The single-family residential market (both detached and attached) has remained stagnant since 1990 at about 2,000 units per year while the regional single-family market has increase by nearly 10,000 units, or about 58 percent over the same period.

A. Residential Development

1. Residential Development in Montgomery County

FIGURE 1

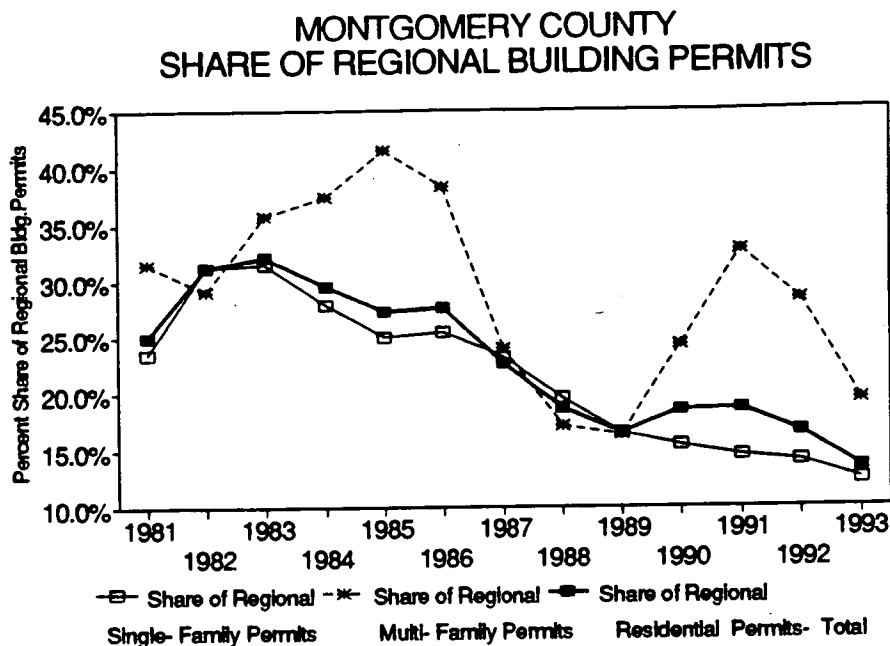


Source: U.S. Bureau of the Census and OPI.

- Building permits issued for residential units have fallen off dramatically in recent years in the Washington region and in the County due to the national recession. The majority of multi-family permits in the last few years have been for condominium units, not rental apartments.
- While construction has fallen off, demand has remained strong for multi-family units. Vacancy rates for rental apartments in the County have declined since the peak in 1991 from 6.5 percent to 5.3 percent in 1993.
- Multi-family units permitted since 1981 averaged 1,600 units annually in the County. However, in 1993 building permits were issued for only 434 multi-family units.
- The number of residential building permits issued by the County has declined steadily since the peak of residential construction in 1986 at a total of over 12,000 housing units.
- Building permits were issued for construction of 3,136 housing units in 1993, down by 10 percent from 1992.

2. The County's Share of Residential Construction in the Region

FIGURE 2

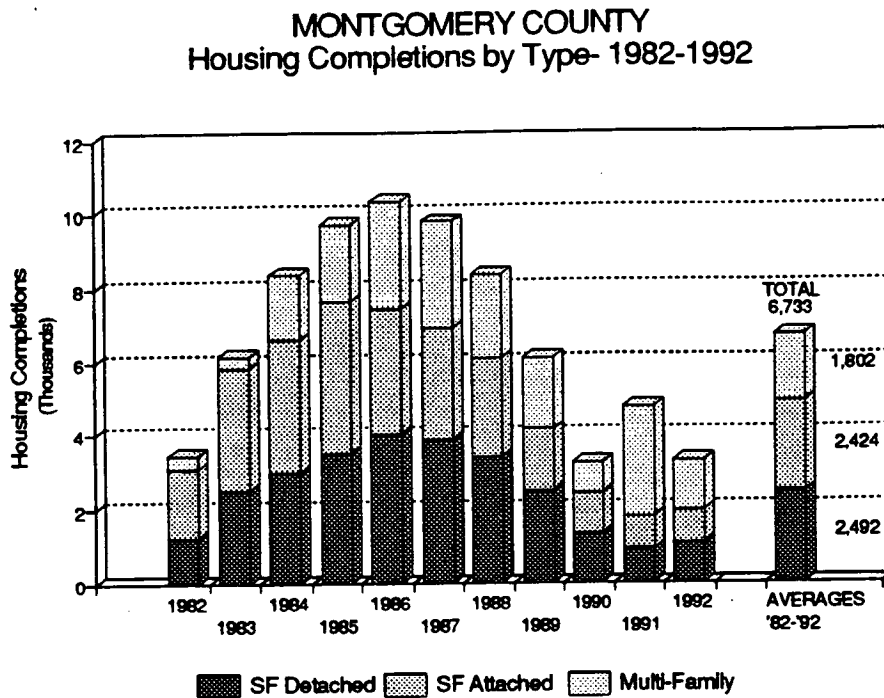


Source: U.S. Bureau of the Census and OPI.

- The County's share of the region's residential building permits has been declining since 1982 from a peak of 34 percent to 11 percent in 1993.
- The County's average regional share of residential building permits from 1981 to 1993 was over 22 percent annually. The County's annual average share of multi-family residential permits in the region was over 25 percent over the same period.
- Multi-family units have accounted for about 24 percent of all residential building permits issued in Montgomery County since 1981.

3. Montgomery County Housing Completions- 1982 to 1992

FIGURE 3

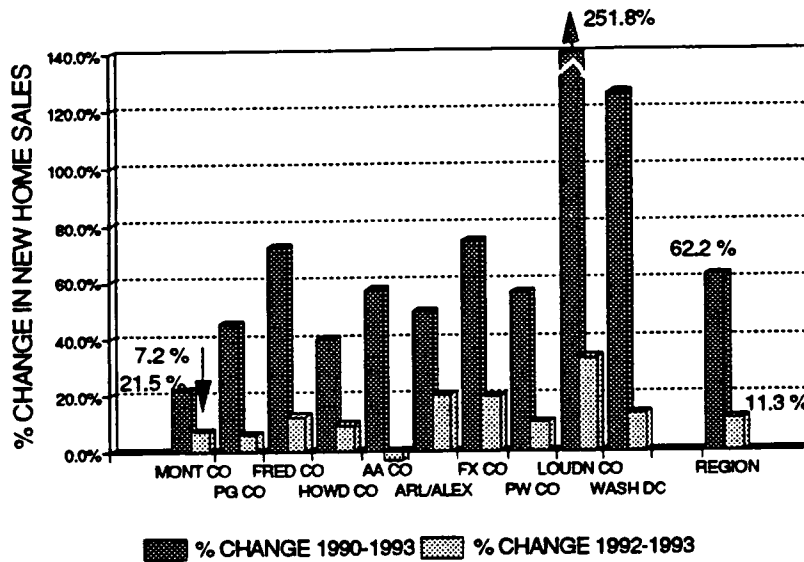


- Housing development peaked in 1986 at over 10,000 units and has fallen off dramatically into the 1990s.
- Completions of new housing bottomed out in 1990 at 3,270 units, but the recovery has been very slow, averaging only 3,785 from 1990 through 1992.
- Housing construction in the 1990s is not likely to reach the high levels of the mid 1980s.
- The most dramatic decrease in new construction has been in single-family attached (townhouse) units. This is due primarily to a decrease in the availability of sites for townhouses in the County.
- For the past decade, multi-family units have been about 26 percent of the new residential development in the County.

4. New Home Sales in Montgomery County

FIGURE 4

NEW HOME SALES IN THE WASHINGTON REGION PERCENT CHANGE 1990-1993 and 1992-1993

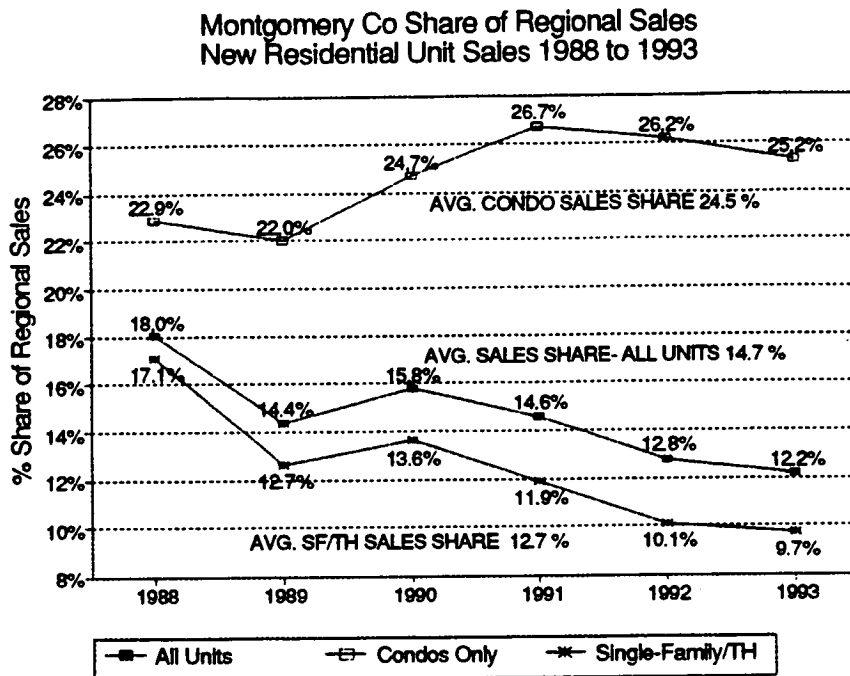


Source: Housing Data Reports and OPI.

- New home sales went up 219 units for a total of 3,246 homes in Montgomery County, an increase of 7.2 percent from 1992 to 1993, while new home sales increased by 11.3 percent for the Washington region.
- The sale of new homes in the area has been increasing since the economy improved after 1990. However, the sale of new homes in the County since the low in 1990 has increased by 574 units, only 21.5 percent while sales in the region have increased by over 62 percent during the same period.
- The market for new homes in Montgomery County has not recovered from the recession as quickly as the region. The increase in new home sales has been only about one-third the regional increase over the past 3 years.
- 1993 total new home sales in Montgomery County were not yet back up to the 1989 level of sales. In the region, new home sales in 1993 were 11.4 percent over the 1989 metro area sales.

5. Condominiums in Montgomery County

FIGURE 5

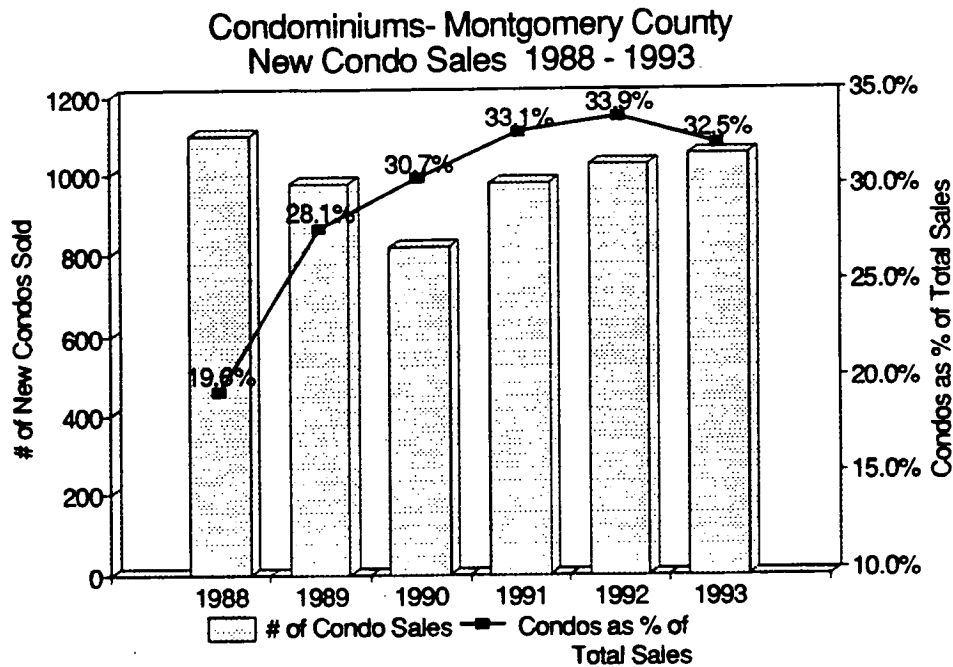


Source: Housing Data Reports, Inc. and OPI.

Note: Washington Metro Area includes Montgomery, Prince George's, Howard, Fairfax, Prince William, Arlington, and Loudoun Counties, the City of Alexandria, and the District of Columbia.

- Montgomery County has a very strong market for new condominium units, capturing a five-year average of 24.5 percent of the metro area condominium sales.
- In 1993, Montgomery County's market share of new metro area condominium sales was 25.2 percent, while second-place Fairfax County had a market share of about 18 percent.
- The County's market share of new metro area condominium sales has increased since 1988 while its market share of all new home sales has been declining.
- While the County's share of new condominium sales in 1993 was 25.2 percent, its share of the metro area's new single-family attached and detached market was only 9.7 percent.
- Based on the level of sales, condominiums in Montgomery County are twice as popular as in the Washington region as a whole.

FIGURE 6

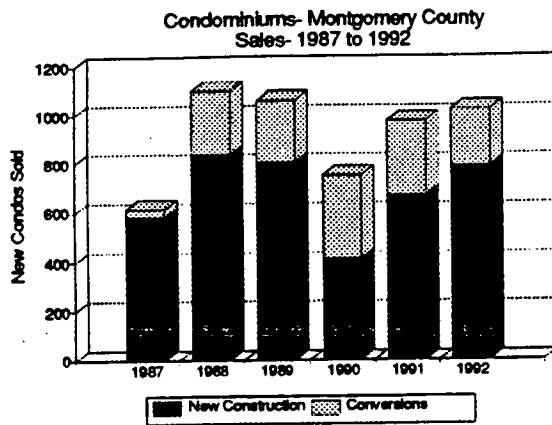


Source: Housing Data Reports, Inc. and OPI.

- The County has averaged 984 new condominium sales annually since 1988. Condominium sales have remained fairly stable while new single-family and townhouse sales have declined since the mid-1980s.
- Nearly a third of Montgomery County's new home sales in 1993 were condominiums compared to 15.6 percent of all new home sales in the Washington metro area.
- Condominiums have been a growing portion of the new home sales in the County, increasing from nearly 20 percent in 1988 to about 34 percent in 1992.
- Since 1988 condominiums averaged nearly 20 percent of all new home sales in the Washington area while the five-year average in Montgomery County was over 27 percent of all new home sales.

6. Condominiums—New Construction versus Conversions

FIGURE 7

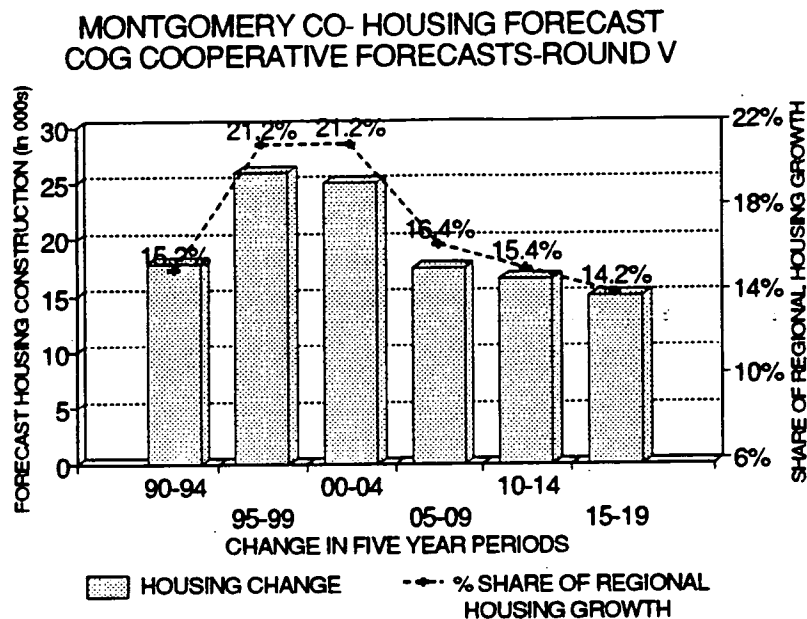


Source: Housing Data Reports, Inc. and OPI.

- Nearly one quarter of the County's new condominium sales over the last six years have been conversions of existing multi-family or hotel units to residential condominiums.
- A yearly average of 682 newly constructed condominiums were sold in the County since 1987.
- While conversion units are new owner occupied units they do not add to the total housing stock.

7. Regional Housing Demand—Future Projections

FIGURE 8



Source: Metropolitan Washington Council of Governments and OPI

The level of housing demand projected by the Council of Governments (COG) Round V Household Forecast is shown in Figure 8. Housing completions in the region averaged about 41,000 new units annually from 1985-1989. The forecast for the 1990s is about 24,000 households annually, tapering off to about 22,000 households annually during the first decade of the next century. With a five percent vacancy rate this would result in the construction of over 25,000 new housing units annually in the metropolitan region.

If the historical average since 1982 were to continue, Montgomery County's 15 percent share of the projected regional market would translate into the construction of approximately 3,800 new housing units annually during the 1990s and just over 3,500 new units annually during the first decade of the next century. The COG Round V Forecast projects an annual average increase of 4,400 new housing units in the 1990s and 4,000 new units annually between 2000 and 2010 in Montgomery County, suggesting an increase in the County's share of regional housing growth.

The forecast level of residential development in the County during the 1990s is 35 percent less than the actual level of residential construction over the last ten years.

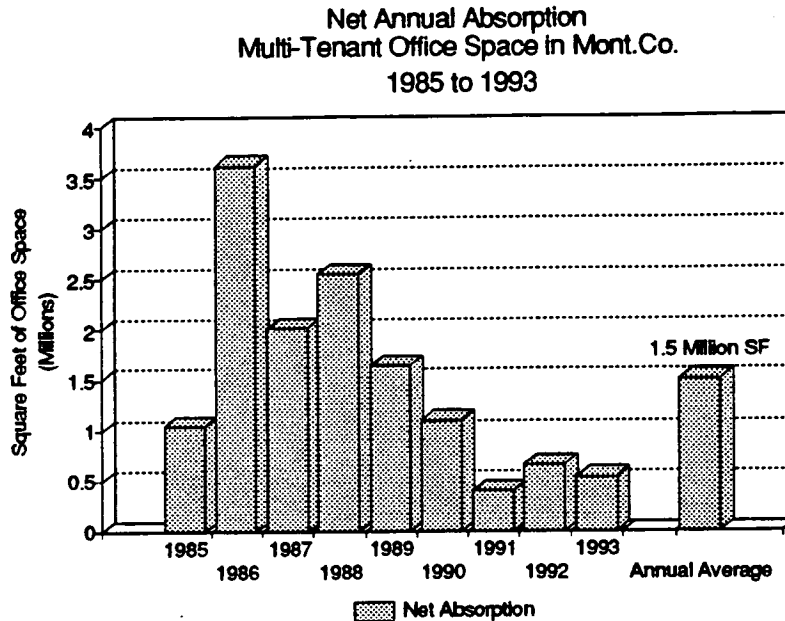
However, the County's average annual level of housing completions from 1990 through 1992 has been only 3,311 units, less than half the level of residential development during the last ten years and almost 25 percent below the forecast level of housing demand.

New housing construction in Montgomery County has picked up since the recession of 1990, but the level of activity has not increased as fast as the region. To reach the COG Forecast level of housing demand, housing completions would need to increase to over 5,100 units per year for the rest of the decade or over 21 percent of the total region's growth in housing. This would be a 33 percent increase in the County's regional market share based on past performance.

B. Nonresidential Development

1. Office Space Absorption Trends in Montgomery County

FIGURE 9

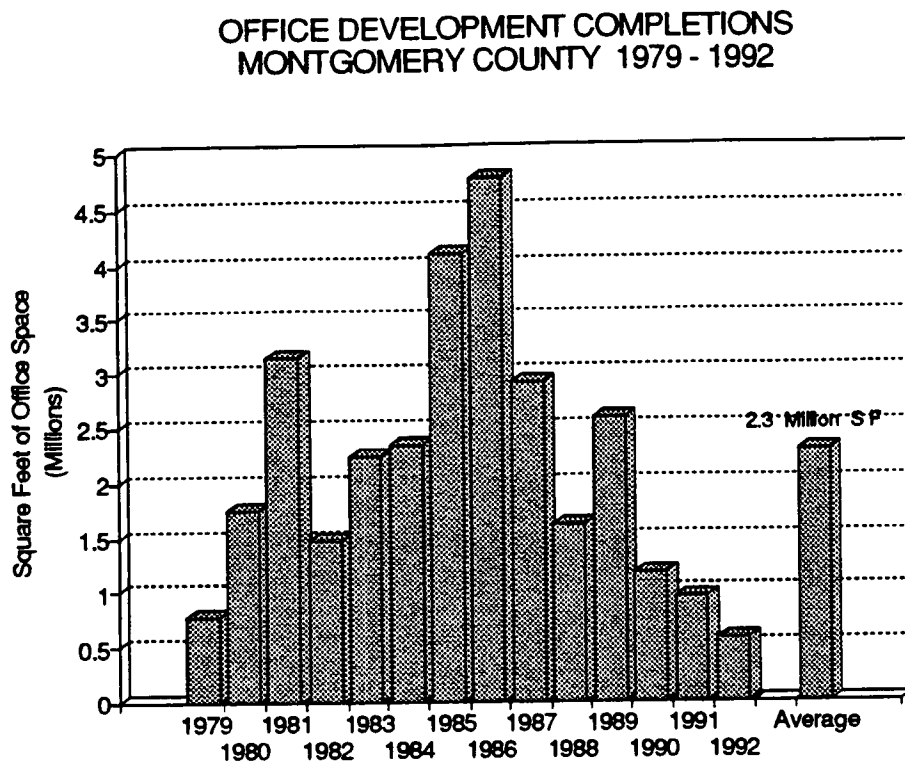


Source: The Spaulding & Slye Report and OPI.

- During the high growth period of the late 1980s, office space absorption in the County peaked in 1986 at over 3.5 million SF of multi-tenant space.
- The recession of the early 1990s resulted in the lowest annual absorption rate for the County of 400,000 square feet of multi-tenant office space in 1991. The annual average absorption rate from 1991 to 1993 has been just over 500,000 square feet.
- While the average absorption rate since 1985 was 1.6 million SF of multi-tenant office space annually, it is unlikely that the absorption rate during the 1990s will be as high as the last half of the 1980s.
- The absorption of multi-tenant office space in the first half of 1993 was greater than that for the entire year of 1992, indicating a continued although modest increase in the demand for office space.

2. Office Construction in Montgomery County

FIGURE 10

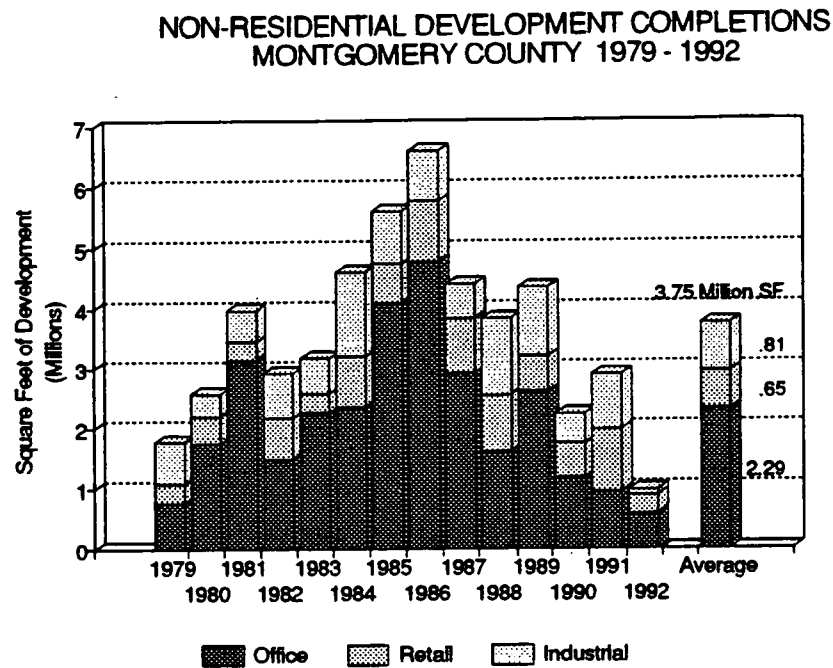


Source: M-NCPPC and OPI.

- Office construction activity in Montgomery County during the 1980s peaked in 1986 at nearly 4.8 million square feet of completed office space.
- The County averaged almost 2.3 million square feet annually of new office construction between 1979 and 1992.
- In 1992, office space completions declined to just over half a million square feet, the lowest point since before 1979 and only one fourth of the average annual office space construction since 1979.

3. Nonresidential Development in Montgomery County

FIGURE 11

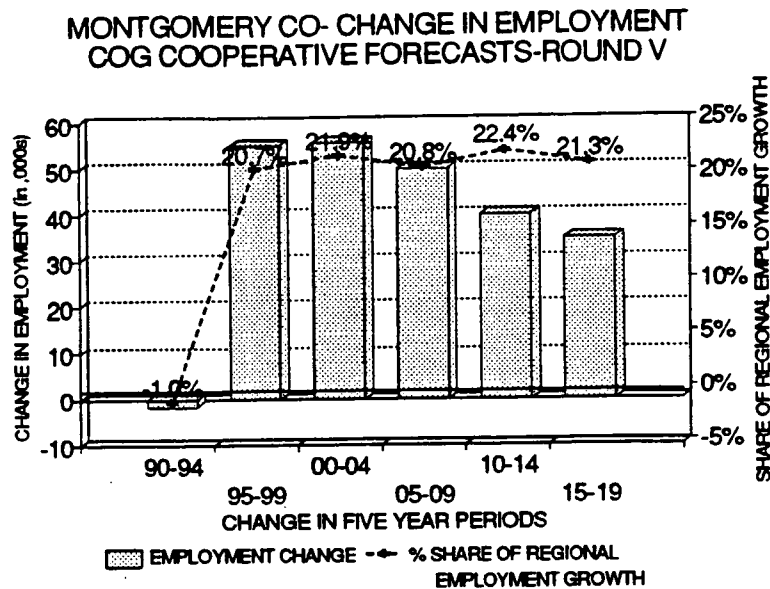


Source: M-NCPPC and OPI.

- Nonresidential development peaked in 1986 at over 6.5 million square feet of new construction and has declined to a low of about 1 million square feet in 1992.
- Nonresidential construction has averaged about 3.75 million square feet annually over the past 14 years, however, it is very unlikely that development over the next decade will sustain this level of new construction.
- While the decline in nonresidential development has been significant for all types of uses, office and industrial construction has seen the greatest decrease.

4. Future Employment Growth in Montgomery County

FIGURE 12



Source: Washington Metropolitan Council of Governments, M-NCPPC and OPI.

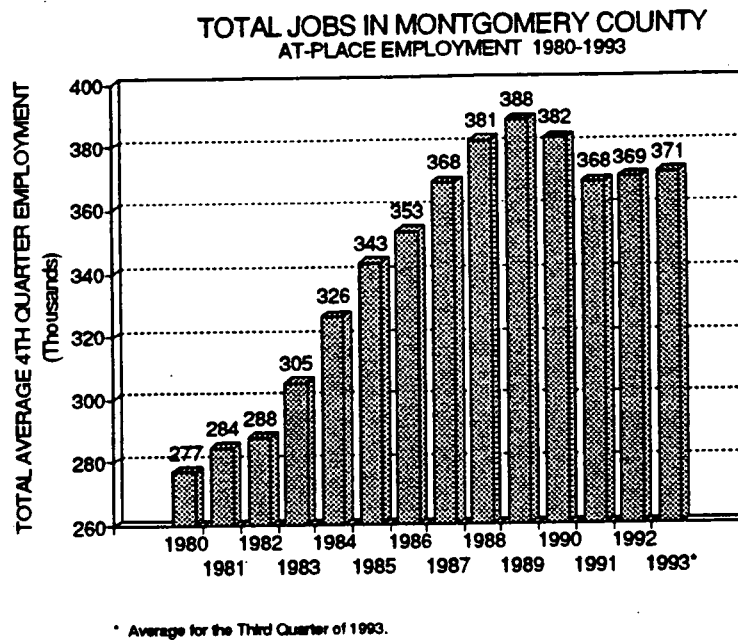
Future construction of office space will reflect future increases in employment in the County. Projections of employment from the Metropolitan Washington Council of Government's Round V Cooperative Forecasts for the County are shown in Figure 4. The levels of employment growth are expected to be off substantially from the 1980s.

In the report, *The Montgomery County Economy: Prospects for the Next Five Years*,¹ employment in the County was projected to increase at an annual rate of 2 to 2.5 percent over the next several years. The preliminary Round V forecasts also indicated that the County's employment would grow at this rate over the next few years. However, the rate of growth is expected to slow down toward the year 2010 and beyond. The County is projected to capture about 17.6 percent of the new jobs created in the metropolitan region, or a total of approximately 193,000 jobs over 20 years, or an annual average of 9,650 jobs.

At-place employment growth in Montgomery County increased nearly 13,600 jobs per year during the 1980s, peaking in 1989 at almost 388,000 jobs. At-place employment in the County should reach that level of employment again in 1995. Job growth in Montgomery County is projected to increase by nearly 10,000 jobs annually over the next 20 years.

¹ Mahlon Straszheim and Lorraine Monaco, *The Montgomery County Economy: Prospects for the Next Five Years*, (University of Maryland, 1993).

FIGURE 13



Source: Maryland Office of Labor Market Analysis and OPL.

Conclusions:

Growth in employment in the County has improved since the job market bottomed out in 1991. However, the job market is still making up for lost ground in the County. For the most part, new office and industrial construction will be limited to build-to-suit development for single users for the next few years as the market continues to absorb the vacant space that was created by the building boom of the mid 1980s. Some of the older, class B and C existing space which is poorly located and obsolete in design will be difficult to lease and some may never be reoccupied. As the newer and revitalized space is leased up, vacancy rates will decline and rents will move up, making new speculative office and industrial development attractive to investors again. It is very unlikely that the rate of development will ever reach the level of the mid 1980s.

Retail development will be limited to build-to-suit projects occupied by "big box" discount users. Development of neighborhood and community shopping centers will be limited to expansions of existing centers and new centers in developing residential areas and will be a function of the rate of residential development.

DEVELOPMENT ACTIVITY IN MONTGOMERY COUNTY

1992 Completions

- There were approximately 3,300 housing completions in the County in 1992, down by 31 percent from 1991 and only 19 more units than in 1990, the lowest year over the past decade.
- Space for approximately 3,600 jobs was completed in 1992 leaving a total countywide jobs pipeline of 111,152 jobs. At 1,128,500 square feet the 1992 completions were only 37 percent of the total nonresidential completions for 1991.
- At 250 square feet/employee, the job pipeline is about 30 million square feet, or almost equivalent to the existing amount of multi-tenant office space available in the County today.

1993 - 1994 Subdivision Approvals

- Approximately 1,930 residential units received subdivision approval between September 1992 and September 1993. The major concentrations of activity were Germantown West (727 units) and Silver Spring CBD (505 units).
- An additional 1,650 residential units were added to the pipeline between September 1993 and March 1994. Germantown West (952), Olney (330) and Silver Spring (311) received the highest number of new approvals.
- Subdivisions for approximately 3,800 jobs were approved between September 1992 and September 1993. Over 75% of these were related to redevelopment of the Mall approved by the City of Rockville. There were very few jobs added to the pipeline from September 1993 to March 1994.

Residential Subdivisions Submitted Under the AGP Development Approval Payment (DAP) Provisions

- 31 residential units have been approved — 5 units in Olney and 26 in Damascus.
- Submissions have been made for approval for 880 units — 221 units in Cloverly and 669 units in Germantown West.
- Some of the submissions in Germantown West have been made for FY 95 and FY 96 because of the 300 unit limit for each policy area per fiscal year.

Conclusion

Growth has been limited in recent years indicating that the recovery for Montgomery County has been slow — much slower than the Washington metropolitan region as a whole. As a strategic policy, the Annual Growth Policy does not need to be as focused on controlling growth in the County as it did in the 1980s. In fact, current development trends would indicate that incentives and flexibility in the implementation of County development regulations are still needed.

The AGP could be very effective at implementing the County's development goals by ensuring that there is adequate capacity for the type and location of development that is in demand in the marketplace and desired by the community. In addition, the AGP could be used more effectively as a tool for allocating scarce public resources and private contributions for transportation in the County.

**ANALYSIS OF GROWTH POLICY
RECOMMENDATIONS**

FY 95 ANNUAL GROWTH POLICY- CEILING ELEMENT

SUMMARY

The Council will be considering the FY 95 ceilings as recommended by the Planning Board based on the Council's anticipated adoption of the FY 95-00 Capital Improvement Programs. (See Staging Ceiling Capacity Tables 1 and 2 in the Appendix.)

The first part of this analysis provides an overview of the updated staging ceilings, the programmed capacity available to support growth and the short-term growth forecast Countywide.

This review shows that at a countywide level there is enough transportation capacity available in the pipeline and the net remaining capacities to support the short-term development forecast.

The second part of this analysis looks at the availability of transportation capacity to support new growth at the policy area level. This analysis compares the capacity in the pipeline and the staging ceilings to:

- (1) The amount of growth in the policy area left to be developed, based on zoned holding capacity; and,
- (2) The rate of future development based on the COG Cooperative Forecast Round V.

Assuming the holding capacities reflect the maximum amount of growth that a policy area could accommodate, this analysis suggests that the Council may wish to transfer capacity out of places where the transportation ceiling capacity from programmed infrastructure exceeds the supply of sites, i.e., Bethesda CBD and Montgomery Village/Airpark and Germantown Town Center.

Assuming the Cooperative Forecast is an accurate indicator of the future demand for sites, the Council may wish to transfer excess net remaining capacity out of policy areas where the absorption of the staging ceiling is projected to take a prolonged period of more than 20 years and transfer it into policy areas where the pipeline plus the net remaining staging ceilings falls below the short-term forecast levels.

The third part of this analysis addresses three technical issues associated with the FY 95 ceiling recommendations.

I. FY 95 Staging Ceiling Capacity

Transportation Capacity Available to Support New Growth

A. Capacity Available From the Pipeline of Approved Subdivisions

- The residential pipeline stands at roughly 29,500 units.
- The nonresidential pipeline is roughly 114,900 jobs.
- Capacity for approximately 5,000 jobs was taken out of the pipeline due to the expiration, withdrawal or revision of approved plans in the pipeline. Approximately 3,400 jobs worth of capacity will be recaptured and become available for new approvals.

B. Capacity Available from Newly Programmed Transportation Projects

- Transportation improvements that will be programmed as of July 1, 1994 could permit the development of 5,600 new housing units and 16,256 new jobs.
- Projects that create significant amounts of capacity in FY 95 are the extension of Metro to Glenmont, the extension of Key West Avenue, and the extension of Watkins Mill Road. The extension of Metro alone adds gross capacity of 5,100 housing units and 12,350 jobs, mostly to the Kensington/Wheaton Policy area.

The Four Year Forecast

Housing -

- The Planning Department's four-year housing forecast for the policy areas in the County is approximately 17,600 housing units or about 4,400 units a year. At 3,300 units, the 1992 completions continue to lag behind the forecast.
- To reach the 2000 forecast housing supply, 5,100 housing units would have to be built annually for the remainder of the decade, a significant increase over current levels.
- The four-year forecast for housing is only 32 percent of the available housing ceiling capacity countywide. The pipeline plus the available housing ceiling capacity in each policy area is sufficient to permit the development forecast for the next four years.

Jobs -

- The four-year jobs forecast is 34,000 jobs or approximately 8,500 jobs annually. These jobs do not represent an exact demand for development of new space since jobs can be accommodated in existing vacant space.
- The construction of 1,128,500 square feet of nonresidential space in 1992 that could accommodate 3,570 jobs, indicates that the four-year forecast of jobs cannot be accommodated in the current level of new construction.
- The four-year forecast for jobs is less than 15 percent of the available jobs ceiling capacity countywide. The pipeline plus the available jobs ceiling capacity in each policy area is sufficient to permit the development forecast for the next four years.

Countywide Overview

Table 1 summarizes the total amount of approvals and new development that could be served by existing and programmed transportation projects.

TABLE 1. Summary of Approved Capacity for Housing and Jobs to Support Growth in FY 95

	Pipeline Capacity	FY 94 Net Remaining Capacity	New Transportation Capacity	Total Available for New Growth	Four Year Forecasts
Housing	29,503	20,914	5,600	56,017	18,000
Jobs	114,894	30,407	16,256	161,557	23,400

Source: OPI

II. PROPOSED CEILING CAPACITY ALLOCATIONS BY POLICY AREA

The ceilings and net remaining capacities proposed in the FY 95 AGP indicate to the Planning Board the limits of new housing or jobs that it could approve in new subdivisions while still insuring that the transportation system will be adequate. They take into account the inherent increase in traffic that will occur over the next four years (from both inside and outside the County) as well as the traffic that will come on line when the development that is in the pipeline of approved subdivisions has actually been built.

While the proposed ceilings offer one combination of ceilings that maintain the County's transportation service standards, other allocations of jobs and housing could theoretically maintain an adequate level of transportation service and also further the private sector's implementation of land uses for housing and employment called for in the County's adopted master plans. OPI has developed two measurements to evaluate how well the ceilings proposed in the AGP further implementation of County plans.

Comparing Staging Ceilings and Zoned Holding Capacity

The first measurement looks at how the amount of growth that has been approved in the pipeline or could be approved in the net remaining capacity for housing and jobs compared to the zoned holding capacity in the plan that is still to be developed.

$$\frac{\text{Pipeline} + \text{Net Remaining Capacity (NRC)}}{\text{Zoned Holding Capacity-Existing Development}^1}$$

Issue

This ratio ensures that there is a sound relationship between the zoning envelope that implements a master or sector plan and the allocation of ceiling capacity in the AGP. If this ratio reaches 100 percent, it suggests that the County has programmed a sufficient amount of transportation infrastructure to support all of the future growth that the plan allows to total build out. If this ratio exceeds 100 percent it could indicate that there is more capacity for development than the Master Plan would allow. Over the short-term the County Council may wish to transfer the excess ceiling capacity out of these policy areas. Over the long-term it may be necessary to make adjustments as zoning regulations and master plans are changed. In addition, the transportation capacity will have to be expanded to accommodate increased through traffic and growth trend in traffic from existing development.

The Council used this approach to determine the ceiling allocations for the Germantown Town Center when it programmed the improvements to MD 118. This year, the Planning staff

¹ The Zoned Holding Capacity is based on preliminary estimates by the Research Division and may be modified based on further analysis.

used this approach to set the ceilings for the Kensington/Wheaton and Wheaton CBD policy areas. (This issue is discussed in the next section.)

Conclusions

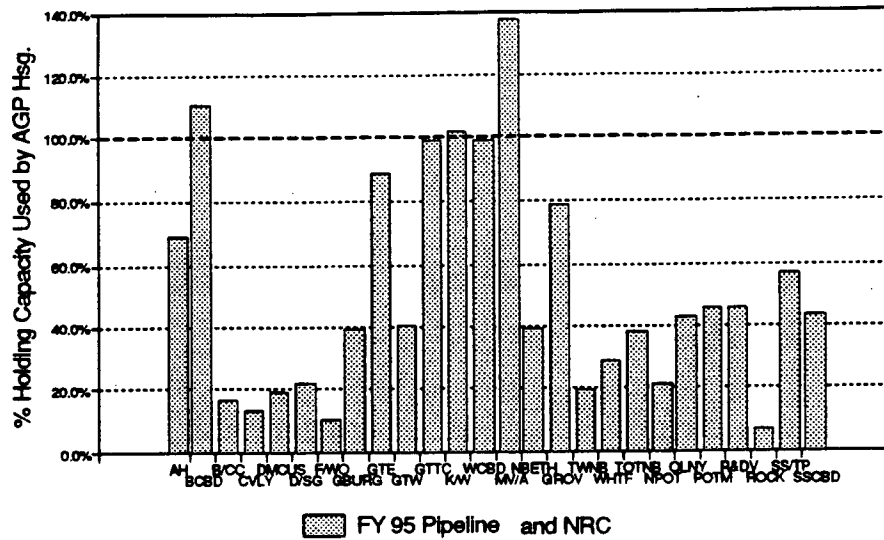
OPI has calculated these ratios using the recommended FY 95 ceilings. The results are shown in Figures 14 and 15. These results suggest that the housing ceilings in Bethesda CBD and Montgomery Village/Airpark exceed the zoned holding capacity of the related master plans and that the jobs ceiling in Germantown Town Center exceeds the planned holding capacity. The housing and jobs ceiling capacity for Wheaton CBD is also at 100 percent of the Zoned Holding Capacity indicating that it has enough ceiling capacity to allow development to sector plan build-out.

Recommendation

The Council may wish to ask the Planning staff to verify the holding capacities. If the estimates are correct, the Council may wish to reduce the staging ceilings to the holding capacity of the master planned areas.

FIGURE 14

Montgomery Co Annual Growth Policy
Percent Net Holding Capacity* Used by
Housing Pipeline and Net Remaining Ceiling Capacity (NRC)

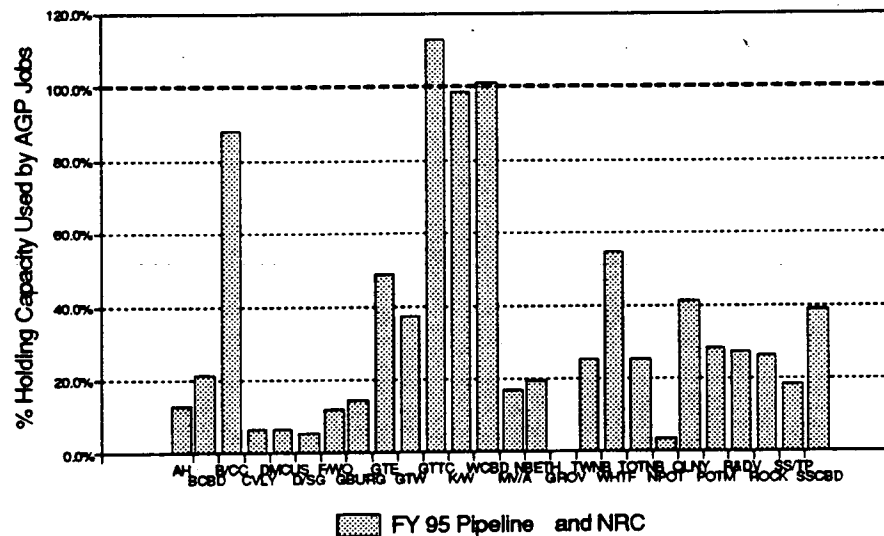


*Net Holding Capacity is the zoning capacity as estimated by M-NCPPC less the existing base.

Source: M-NCPPC and OPI.

FIGURE 15

Montgomery Co Annual Growth Policy
Percent Net Holding Capacity* Used by
Jobs Pipeline and Net Remaining Ceiling Capacity (NRC)



*Net Holding Capacity is the zoning capacity as estimated by M-NCPPC less the existing base.

Source: M-NCPPC and OPI.

Market Based Allocations of Newly Programmed Capacity

Issue

The purpose of this analysis is to help the County target its capital investments to those areas where market demand in the short run may outpace the supply of sites with programmed transportation capacity, taking into account the variation in growth rates among the policy areas. This could help the County maximize the use of its infrastructure investment in a more immediate way than the current practice of correcting deficits, irrespective of the size of the pipeline or market conditions.

This second measurement estimates the housing and/or jobs capacity that could be available by comparing the pipeline of approved development and the net remaining capacity for a given policy area to the forecast growth for that policy area. This results in an estimate of how many years it would take to use up or absorb the capacity if the growth rates projected in the Cooperative Forecasts are realized. The capacity to support new development includes both the pipeline and the net remaining capacity in a given policy area since new growth can either be the building of a development that is already approved or a project that has not yet been through subdivision approval.

The Distribution of Ceiling Capacity and the Cooperative Forecasts

The Cooperative Forecasts indicate the projected growth of housing and employment in the County by Policy Area.

Housing

Figure 16 shows the number of years to absorb the available housing capacity for development based on the forecasts of future housing demand. Policy areas such as Kensington/Wheaton and Silver Spring/Takoma Park have housing capacity for 83 and 58 years respectively of forecast growth. Other policy areas such as Cloverly, Damascus, Fairland/White Oak, and Germantown West only have around 7 years of capacity for future development. These policy areas are characterized by lower density, single family development which has the highest market demand.

Conclusion

The limited capacity in these policy areas is already assigned to approved projects in the pipeline, leaving no remaining capacity for new housing projects in these policy areas. If some of the pipeline projects are no longer viable, then this could become a very real constraint on the single-family housing market.

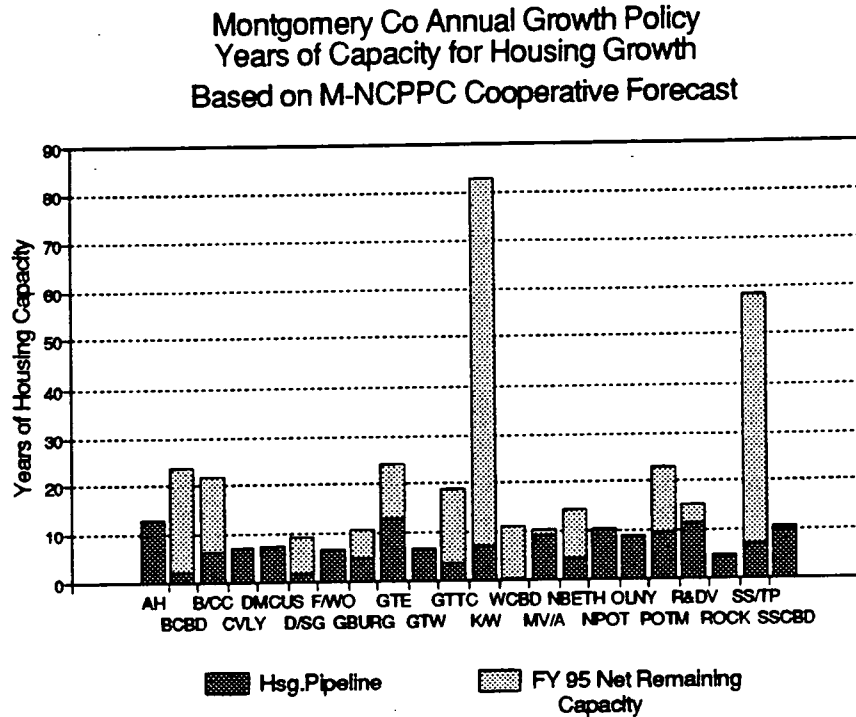
Jobs

Figure 17 shows the absorption time for the available jobs capacity for development based on the forecast employment growth. Policy areas such as Germantown Town Center and Kensington/Wheaton have jobs capacity for 67 and 75 years respectively of forecast growth in employment. Other policy areas tend to have jobs capacity for 10 to 20 years of employment growth. The policy areas with the shortest absorption time for their jobs capacity are primarily residential in character with no major employment centers.

Conclusion

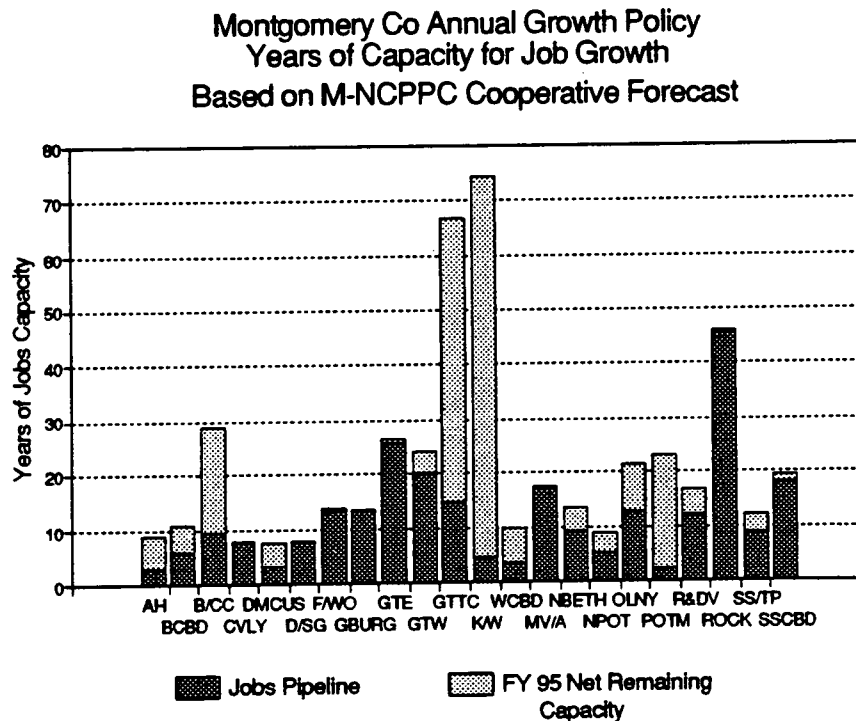
The distribution of jobs capacity should not be a significant limitation on the market but a concentration of jobs capacity could indicate a misallocation of ceiling capacity or a need to adjust the County's priorities for future transportation improvements. Excess jobs capacity could be reallocated to meet short term housing needs. The benefits of implementing the County's master plans, putting development into the tax base and maximizing the use of the County's infrastructure investment would appear to outweigh the correction of a "paper deficit."

FIGURE 16



Source: Washington Area Council of Governments, M-NCPPC, and OPI.

FIGURE 17



Source: Washington Area Council of Governments, M-NCPPC, and OPI.

The Development Pipeline

Issue

In past years, the Executive has raised concerns about the County's jobs and housing pipelines. A major concern with the job pipeline is that it is tying up a significant investment in infrastructure at the expense of future housing approvals. A second concern is that several of the projects in the jobs pipeline may no longer be viable because of changes in the banking and finance industry.

Alternatively, the County's housing pipeline is relatively small and includes a significant amount of multifamily housing that may not move forward in the near future due to financing problems. OPI has been tracking completions in the housing pipeline as part of its work on the fiscal analysis of master plans. Based on an informal conversations with builders, OPI estimates that there may be as many as 5,000 units that are completed that have not been removed from the pipeline and added to the housing base.

In FY 95, the Planning staff will be undertaking an audit of the pipeline and developing a proposal to put tighter expiration dates on subdivision approvals. Until this work is completed, it may be desirable for the County to target newly created growth capacity to the housing market even if it means some areas will remain in a paper moratorium for new job approvals.

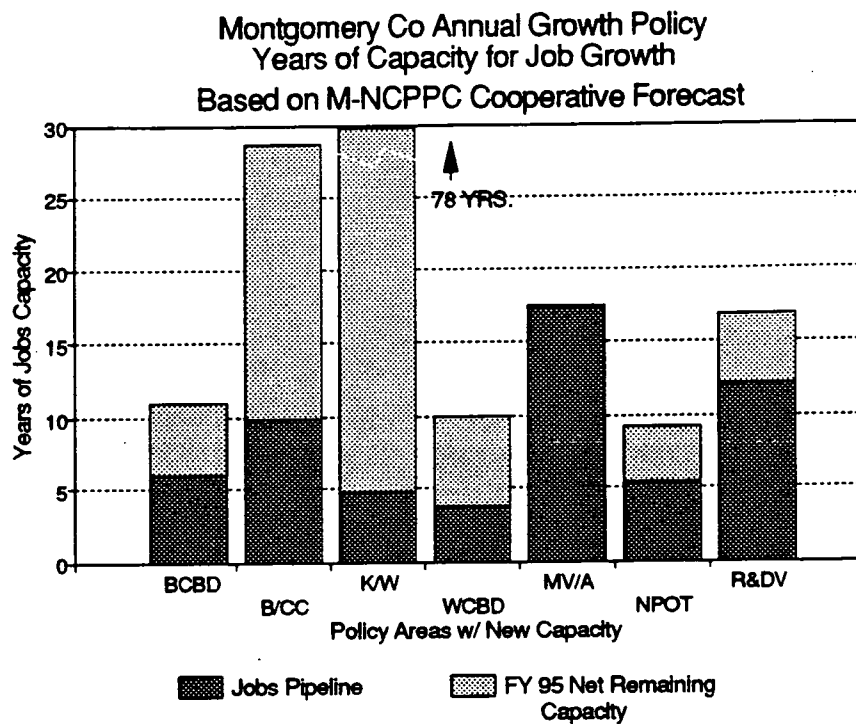
Allocation of New Capacity By Policy Area

- **Jobs** - The FY 95 AGP allocations for new capacity for jobs are in Table 2 in the Appendix. The Planning Board is recommending the allocation of new capacity to bring areas out of moratoria for jobs in Derwood/Shady Grove, North Potomac, R&D Village, and Gaithersburg City. All of these policy areas have over five years of jobs capacity in the pipeline of approved projects.

Figure 18 below compares the years of jobs in the current pipeline and the years of job capacity that would be added for these policy areas. Generally, it appears that the supply of job approvals currently in the pipeline is adequate to support near term demand.

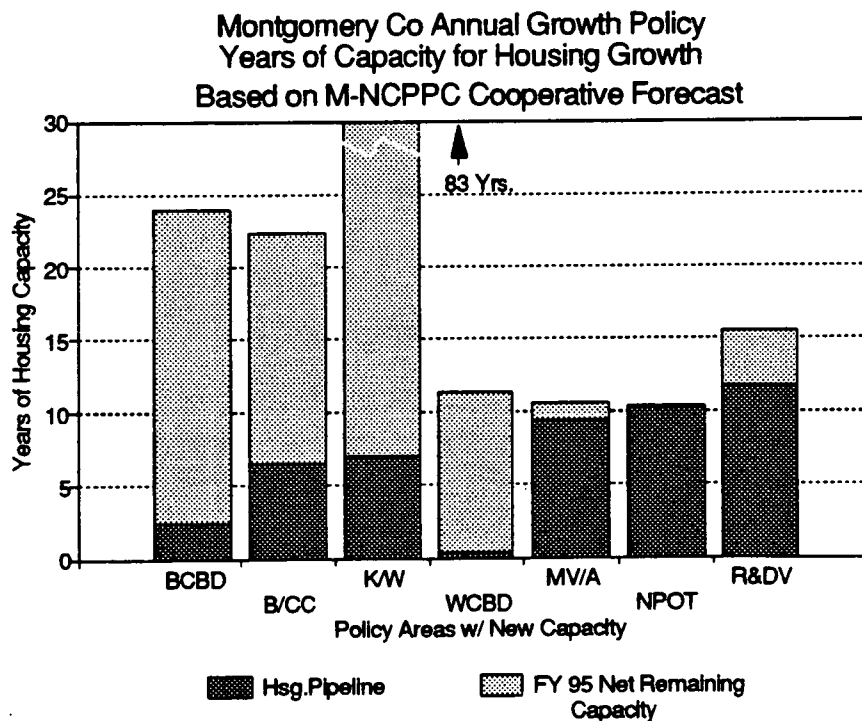
- **Housing** - The FY 95 AGP allocations for housing are in Table 2 in the Appendix. Figure 19 shows the years of housing capacity for policy areas that have been allocated new housing capacity in FY 95. The allocation of new ceiling capacity between jobs and housing would seem to meet the projected short-term growth for both housing and jobs. In addition, Montgomery Village/Airpark is being taken out of moratoria for housing.

FIGURE 18



Source: M-NCPPC and OPI.

FIGURE 19



Source: M-NCPPC and OPI.

III. OTHER CEILING ALLOCATION PROPOSALS

1. Transferring Capacity from Bethesda Chevy Chase to Bethesda CBD

The ceilings submitted by the Planning Board show a transfer of capacity for 1,400 housing units and 3,000 jobs from Bethesda Chevy Chase. This transfer is consistent with the Bethesda CBD Sector Plan Amendment that is currently before Council.

The sector plan recommends a transfer in ceiling capacity to further increase the ceiling for jobs and housing units in proximity to Metro. The sector plan states that the Bethesda CBD should receive priority for new development over Friendship Heights, Westbard, the Naval Medical Center and the remainder of the B-CC policy area. The plan also emphasizes growth in the CBD over growth at NIH, although it recognizes that federal facilities such as NIH cannot be controlled by the AGP. The language in the Final Draft Sector Plan is in response to the Executive's testimony at the Planning Board on the Preliminary Draft amendment.

2. Counting Capacity from the Glenmont Metro Station

The Final Draft FY 95 AGP proposes to add development capacity for 5,000 housing units and 11,350 jobs to the ceilings in the Kensington/Wheaton Policy area. These ceiling levels reflect the zoned holding capacity of the Kensington/Wheaton and Wheaton CBD policy areas. The Staff Draft released last fall suggested that the Planning Board may wish to defer counting of the capacity either because the Glenmont Station may not be completely programmed within the four year period or because the Glenmont Sector Plan is currently underway.

From a practical perspective it hardly matters whether the capacity from Glenmont is counted this year or next. Table 2 summarizes the development activity indicators for the Kensington/Wheaton Policy area. Table 2 suggests that either the adopted ceilings or the new ceilings could easily accommodate the demand anticipated in the next four years. In fact, the pipeline of approved projects alone is adequate to meet the four-year forecast.

From a master plan perspective, it would seem more appropriate to defer the counting of this capacity until the Glenmont Plan has been adopted next year. This would allow the master plan to guide the allocation of capacity between jobs and housing and between the Kensington/Wheaton, Wheaton CBD, and Glenmont (if a new policy area is created) policy areas. It also allows the Council to make staging and timing recommendations in the context of a specific sector plan recommendation. Finally, to the extent the public sees net remaining capacity as an indicator of future development potential, a more realistic estimate of zoning holding capacity can be made once specific land use recommendations in the master plan are known. In terms of coordination between the master plans and the AGP a real opportunity has been identified for higher density land use proposals around the Glenmont Metro Station to utilize the high level of transportation capacity that will be created by the new transit facilities.

Table 2. Ceiling Capacity and Recent Development in the Kensington/Wheaton Policy Area

	HOUSING	JOB
Four-Year Growth Forecast (Demand)	424	517
Pipeline 3/31/94	620	249
1992 Completions	40	5
FY 94 Net Remaining Capacity	1,829	3,963
FY 95 Recommended Remaining Capacity	6,829	15,313

Source: M-NCPPC and OPI.

3. AGP Issues in Clarksburg-- Should Clarksburg be included in the FY 95 Ceilings? If so, how many policy areas should there be?

The FY 95 AGP tables include a policy area for Clarksburg with an existing pipeline of 3,929 jobs (representing the approved Gateway 2000 project) and 55 housing units. The Planning Staff analysis indicates that Clarksburg is currently in a deficit; however, the Planning staff and Planning Board recommend setting the net remaining ceilings at 0.

FY 95 Ceilings for Clarksburg

The Council is scheduled to adopt the Sectional Map amendment to implement the Plan in October, 1994. Planning staff will release the ceilings for the FY 96 AGP on October 15.

Planning Staff has suggested that it is important to include a Clarksburg policy area in the FY 95 ceilings so that developers can take advantage of development district legislation that is to be adopted by Council this summer.

There does not appear to be an urgent need to adopt a policy area this year. It would precede the adoption of the Sectional Map Amendment. More importantly, the initial staging trigger in Clarksburg will be a solution to the wastewater treatment problem, which is a difficult issue that the Council must address next year. It may be more appropriate to wait until this decision is made and a solution is programmed before a policy area and staging ceilings are adopted.

How Many Policy Areas Should Clarksburg Have?

The Planning staff indicated that they recommended one policy area for Clarksburg because the Council had decided that they did not want to use the AGP as the primary staging

tool in Clarksburg. Other arguments for one policy area include the fact that both the area and the development levels are relatively small. They are comparable to Olney which also has one policy area.

Some of the arguments in favor of multiple (two or three) policy areas are that it would reinforce the staging proposed in the master plan which envisions targeting development first to the east side (and particularly the Town Center) and later to the west side. For example, to the extent the State or the County programmed an improvement, such as improvements to MD 121, the Council could target capacity consistent with its master planned priorities. It would also encourage property owners within a logical traffic shed to come up with a coordinated financing plan for the roads in that particular area.

Some properties owners spoke in favor of multiple areas at the Council worksessions on staging. At that time, Planning staff indicated that it was an upcoming work program item that would be addressed as part of the AGP.

FY 94 ANNUAL GROWTH POLICY AMENDMENT

Proposed Amendments

The Planning Board has transmitted proposed amendments to the FY 94 Annual Growth Policy (AGP) to the Council and the Executive. The Planning Board is proposing the following amendments to the AGP transportation tests:

- | | |
|--------------------|--|
| Policy Area Review | <ol style="list-style-type: none"> 1. Change the methodology for counting freeways. 2. Make the Policy Area test more sensitive to transit. |
| Local Area Review | <ol style="list-style-type: none"> 1. Vary local congestion levels by the availability of transit. 2. Establish an adequacy test for pedestrian transportation. 3. Permit developers to mitigate trips by constructing non-auto transportation enhancements. 4. Reflect mode usage in vehicle trip generation rates. |

See pages 4 and 5 of the Final Draft Amendment for a summary of these proposals.

The Policy Area Proposals

The amendments to the policy area test would significantly increase the ceilings that determine how much growth the Planning Board could approve in new subdivisions. The Table 3 below compares the ceilings and net remaining capacity under the existing system, to the various combinations of alternatives that could be adopted. Generally, the modification to the method of counting transit creates the smallest increase, the freeway change creates the largest capacity increases, and the effect of both changes combined is somewhere between the two. It is important to remember that there are no improvements to the transportation system that accompany these changes.

TABLE 3. Comparison of Ceilings Under the Proposed Policy Area Amendments

	HOUSING			JOBS		
	Pipeline	Ceiling	NRC	Pipeline	Ceiling	NRC
FY 95- Current Policy	29,503	50,414	26,423	114,894	140,148	46,663
Freeways Only	29,503	86,585	64,388	114,894	181,869	79,626
Transit Only	29,503	62,023	40,137	114,894	157,869	79,626
Both Freeways and Transit	29,503	76,195	47,369	114,894	153,869	60,920

Source: OPI, M-NCPPC

Note: NRC = Net Remaining Capacity for additional approvals

The Planning Board is recommending that the Council adopt both changes to the Policy Area Review Test. The rest of this memo looks at the details and effects of the freeway proposal, the transit proposal and both changes combined.

The Freeway Modification Proposal

This proposal is described on pages 4, 10-11, and 15-21 in the FY 94 Final Draft Amendment. The Final Draft Amendment states:

"The intent of the freeway modification is to better reflect the different character of freeway and local road traffic. The current system includes congestion on freeway links within a policy area in the determination of the Average Congestion Index for a policy area. This system has been criticized as giving freeway conditions too much significance in the calculation of staging ceilings."

"The new system ... would establish a Countywide standard for freeway level of service, rather than counting them as part of the adjacent policy area. In essence, the entire freeway system would be treated as a separate policy area."

"The Planning Board is recommending that the Countywide standard for freeway level of service be set at D/E."

The proposed freeway modification would increase the housing ceiling capacity by 36,650 units and increase the number of jobs ceiling capacity by 34,500. By itself, it would have no effect on the number of areas that are currently in moratorium for jobs or housing.

The advantages of this change are:

- It will allow the County to make more efficient use of its capital investments in roads since local roads will no longer need to offset freeway congestion.
- It allows for ceiling capacity from new freeway improvements to be allocated beyond the policy area where the improvement is located giving the County more flexibility in the use of ceiling capacity to meet the needs of the marketplace and improve the utilization of the County's investment in transportation facilities.
- It creates additional ceiling for new housing and job approvals with no additional capital investment.

The disadvantages of this proposal are:

- Since it creates a large amount of capacity for new approvals without a corresponding increase in system capacity, it may be regarded with skepticism by some, and weaken overall acceptance of the AGP as a policy document.
- If multiple ceiling sets are determined there would be a corresponding increase in staff time needed to prepare the AGP. Without the multiple sets, it does not add any policy flexibility, only narrow technical level flexibility.
- It adds complexity to the AGP.

Overall, this modification would appear to be beneficial to the County because of its implications for capital programming. The Office of Planning Implementation's (OPI) fiscal analysis of the Clarksburg Master Plan determined that almost 70 percent of the traffic congestion in Clarksburg would be due to through traffic on I-270. OPI determined that it would cost about \$126 million in transportation improvements to maintain the service standard if freeways were included in the calculation of congestion. However, if freeways were not included, the cost of the transportation program dropped to \$112 million, a \$14 million savings.

Nonetheless, the drawbacks associated with this proposal are significant. Perhaps the biggest disadvantage is the perception that this change might diminish the County's ability to keep strict growth management controls in place. This fear is largely misplaced, as review of economic data points out that the County is lagging other Washington jurisdictions in the economic recovery. Nonetheless, runaway growth remains a concern among some groups in Montgomery County.

Another drawback is the tremendous flexibility for ceiling allocation that this modification would place in the hands of the transportation modelers. While flexibility in and of itself could improve the AGP, it is unlikely to be a benefit as long as the focus is primarily on minimizing traffic congestion and down playing other policy goals in making AGP ceiling capacity allocations.

If the Council moves forward with the proposed modification, it may wish to include guidelines that direct the Planning staff to develop multiple sets of ceilings; for example one set that maximizes job growth and another set that maximizes housing growth, with the same level of traffic congestion. This would allow the County to maximize the use of its transportation investments and facilitate the demands of the marketplace to meet the needs of the community for new jobs and places to live.

The Total Transportation Level of Service Proposal

This proposal is in response to the Council's request that the Planning Department investigate methods for making Policy Area Transportation Review more sensitive to changes in transit levels of service. It is described on pages 5, 8, 13-14, and 22-31 in the FY 94 Final Draft AGP Amendment.

A Brief Description of the Proposal

The components that are needed to implement this proposal include:

1. A definition of a total transportation level of service that combines separate transit and auto level-of-service.
2. A Countywide standard for an acceptable total transportation level of service
3. A means to determine transit level of service;
4. A means to determine auto level of service.

1. Definition for a Total Transportation Level of Service

The Planning Board recommends that transit and auto Level of Service (LOS) be weighted by transit and auto mode shares respectively in calculating the average total transportation level of service for a policy area.

The methodology proposed by the Planning Board is based on combining auto and transit levels of service to determine an area's Total Transportation Level of Service (TTLOS). This is a change from the existing system which looks directly at automobile, but only indirectly at transit, to determine a Policy Area's LOS.

2. A Countywide Standard for Acceptable Total Transportation Level of Service

The Planning Board recommends that the standard for total transportation level of service be set at "C-" if the new freeway modification is adopted. If the new freeway modification is not adopted, the Planning Board recommends a standard of "C/D." This would be a new component in the AGP methodology.

The selection of LOS standards C-or C/D were chosen such that implementation of the TTLOS does not result in any additional Policy Areas going into moratorium while holding changes to overall capacity to a minimum.

A more intuitive approach to setting the Countywide LOS standard to be used with a TTLOS computation procedure would be to determine TTLOS for all Policy Areas based on existing development and transportation network. Such a determination would show how TTLOS varies across the County and could thereby provide a useful input into determining a future single, Countywide LOS standard for TTLOS.

3. A Measure for Transit Level of Service

The Planning Board recommends that the measurement of transit LOS be based on regional transit accessibility which measures how easily users of transit can reach desired destinations. The Planning staff notes that the measure is conceptually different than the volume-to-capacity ratio used for auto LOS because the usefulness of the transit system is measured rather than the congestion on it.

4. A Measure of Auto Level of Service

The Planning Board agreed to continue to use the volume-to-capacity ratio weighted by vehicles miles travelled to measure auto level of service.

The Effects of the Proposal

The proposed transit modification would increase the number of housing approvals by 12,399 and increase the number of job approvals by 34,500. Without the freeway test modification, it would take the Damascus and North Potomac policy areas out of moratorium for housing and would take the Montgomery Village/Airpark out of moratorium for jobs. It would put the Bethesda/Chevy Chase area into moratorium for housing.

Because this proposal sets a Countywide transportation level-of-service standard in addition to the introduction of a transit accessibility measurement, it tends to add capacity to those areas that have limited transit service today, while diminishing or leaving unchanged the capacity to those areas with extensive transit service. This is the opposite of the desired outcome from a TTLOS change. Table 4 shows the relationship between the existing transit level of service groups and the ceiling capacity that is added.

TABLE 4. Change in Ceiling Capacity Under TTLOS by Transit Level of Service Group

Policy Areas	Level of Transit Service	Housing	Jobs
Group 2	Limited	15,834	11,263
Group 3	Moderate	2,254	5,383
Group 4	Frequent	0	7,354
Group 5	Full	-6,000	-1,000
Group 6	Expanded	0	0

Source: OPI

The advantages of this proposal are:

- That it adds capacity for new housing and job approvals without adding any new infrastructure or program costs; and
- That it dampens the ceiling increases that are caused by the freeway proposal alone.

The drawbacks are:

- That it adds capacity for new approvals without a corresponding increase in transit service;
- That it adds capacity in the policy areas with the lowest transit service levels and reduces or leaves unchanged the capacity in the policy areas with the highest transit service levels; and
- That it increases the complexity of the AGP.

In its current form, the TTLOS does not seem to create the desired results from a policy perspective because it increases development potential in areas less well served by transit. There does not seem to be any overall compelling reason to pursue this proposed modification. Unlike the freeway modification, the effects of the change are not well understood.

Finally, the idea of a uniform Countywide transportation level of service standard also seems inconsistent with planning principles found in the County's General Plans and Master Plans. In other public facility planning exercises, the County tends to put higher levels of service and more investment into those areas with more population. It would seem that a uniform transportation standard could set a precedent that the County might not be able to afford to implement.

Recommendation To Adopt Both Policy Proposals

The Planning Board recommended that both policy changes be adopted. The resulting change in ceiling capacity is not additive because the effect of both changes to the AGP would to some extent cancel each other out as was shown in Table 3 with Countywide totals. Table 5 indicates the impact of these policy changes on affected policy areas. In the case of the Cloverly Policy Area, neither policy proposal creates any additional capacity but the combination of the two policies creates capacity for 2,000 housing units and 500 jobs. This only adds to the concern about the added complexity of the AGP

TABLE 5. Comparison of Ceilings for Policy Areas That Change Under the Proposed Policy Amendments²

	FY 95 Current Policy	FREEWAYS		TTLOS		BOTH	
		Additional Capacity	New Remaining Capacity	Additional Capacity	New Remaining Capacity	Additional Capacity	New Remaining Capacity
HOUSING							
Aspen Hill	(5,148)			991	(4,157)		
Beth CBD	1,900	1,200	3,100			1,300	3,200
Bethesda/CC	1,004	7,750	8,754	(6,000)	(4,996)	6,000	7,004
Damascus	(988)			1,185	197		
Cloverly	(1,491)					2,000	509
G'burg City	1,544	5,000	6,544	1,263	2,807		
G'town East	794	1,000	1,794				
G'town West	117	7,000	7,117	2,994	3,111	4,500	4,617
MV/Airpark	26			4,322	4,348		
N Potomac	(2,922)			5,033	2,081	3,000	78
Olney	190			2,300	2,490	500	690
R&D Village	806	4,000	4,806			3,500	4,306
Rockville	103	4,000	4,103				
SS CBD	367						
SS/ TP	2,251	3,500	5,751				
Twinbrook	300	1,200	1,500				
White Flint	949	2,000	2,949				

²The numbers in this table have been updated to reflect the revised FY 95 Net Remaining Capacity. Therefore, the Net Remaining Capacity for the three alternatives are different than those published in the FY 94 Annual Growth Policy Amendment Final Draft dated March 17, 1994.

	FY 95 Current Policy	FREEWAYS		TTLOS		BOTH	
		Additional Capacity	New Remaining Capacity	Additional Capacity	New Remaining Capacity	Additional Capacity	New Remaining Capacity
JOBS							
Bethesda/CC	5,209	2,000	7,209	(1,000)	4,209		
Cloverly	(185)					500	315
Damascus	85			1,000	1,085		
Derwood/SG	323			1,459	1,782		
Fairland/WO	(8,031)	2,500	(5,531)				
G'burg City	54	7,500	7,554	3,924	3,978		
G'town East	376	1,500	1,876				
G'town West	1,520	10,500	12,020	3,601	5,121	7,500	9,020
K/Wheaton	15,313			(500)	14,813		
MV/Airpark	(3,021)			4,590	1,569	4,000	979
N Potomac	136			506	642		
Olney	662					1,000	1,662
R&D Village	3,393	9,000	12,393	1,566	4,959	6,000	9,393
Rockville	(11,874)	10,000	(1,874)				
Twinbrook	971	2,000	2,971	1,223	2,194		
White Flint	3,065	2,000	5,065	6,631	9,696		

Source: M-NCPPC and OPI.

The Effect of Adopting Both Policy Proposals

The Final Draft indicates that Countywide, the change of both policies would add staging ceiling capacity for 19,000 jobs and 24,260 housing units. Some of this capacity would be applied toward deficits in moratorium areas while the rest, approximately 15,800 jobs and 19,600 housing units, would be added to the net remaining capacity in policy areas that are positive. Planning Staff indicate that this is equivalent to about 18 months of job growth and 36 months of housing growth, using their intermediate forecast.

However, the impact of the additional ceiling capacity is significantly different when the allocation to specific policy areas is considered. When both policy proposals are applied to the AGP together, the additional ceiling capacity is concentrated in eight policy areas for housing and in five policy areas for jobs. When the Cooperative Forecast for housing and job growth in these policy areas is applied to this additional ceiling capacity, it will take more like 17 years on average to absorb the additional ceiling capacity for housing and 21 years on average to absorb the additional ceiling capacity for job growth. Figures 20 and 21 indicate the years of housing and job growth created by these policy changes together based on the Cooperative Forecast.

The advantages of this proposal to add both the Freeway and Transit policy changes are:

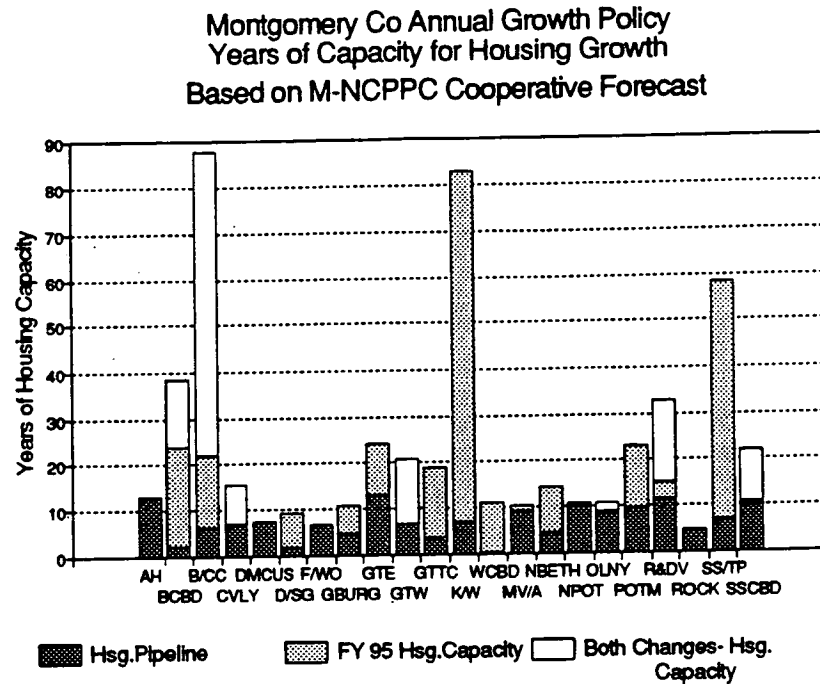
- That it adds capacity for new housing and job approvals without adding any new infrastructure or program costs; and,
- It allows for ceiling capacity from new freeway improvements to be allocated beyond the policy area where the improvement is located giving the County more flexibility in the use of ceiling capacity to meet the needs of the marketplace and improve the utilization of the County's investment in transportation facilities.
- That it has a more moderate impact on the ceiling capacity increases that are caused by the freeway proposal alone.

The drawbacks are:

- The additional ceiling capacity is concentrated in a few policy areas, adding excessive capacity that, in some cases, will take decades for the market to absorb. The new housing capacity added to Germantown West and Olney are the only changes that help the County realize its development goals over the near term.
- Since it creates a large amount of capacity for new approvals without a corresponding increase in system capacity, it may be regarded with skepticism by some, and weaken overall acceptance of the AGP as a policy document.
- That it increases the complexity of the AGP; and

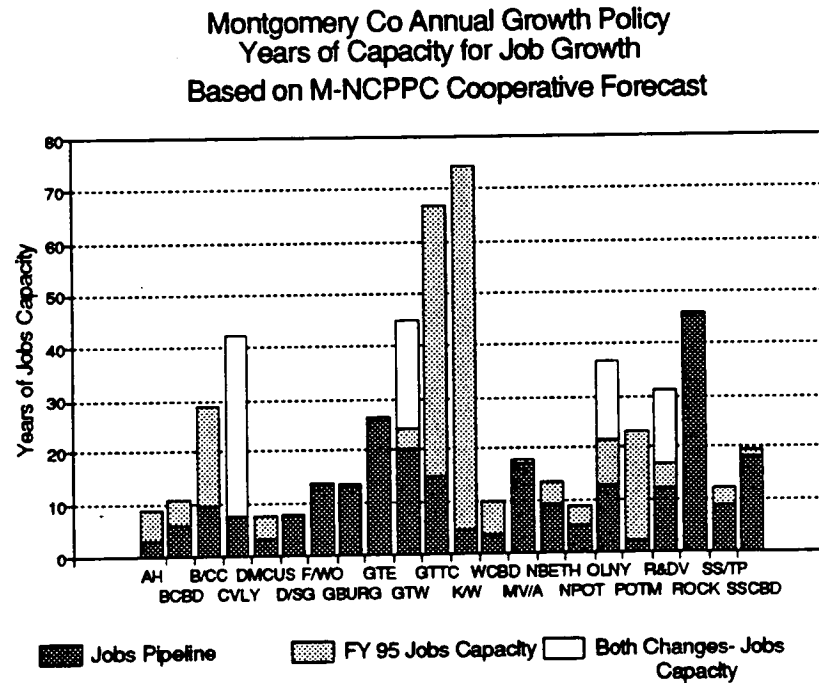
Adoption of these policy changes would add a significant amount of ceiling capacity for both jobs and housing but the impact on potential development in the County would be very limited. There are multiple solutions to the allocation of the new capacity generated by these policy changes. More consideration could be given to the criteria for determining the optimum allocation to meet the development goals of the County and meet the demands of the marketplace.

FIGURE 20



Source: M-NCPPC and OPI.

FIGURE 21



Source: M-NCPPC and OPI.

LOCAL AREA TRANSPORTATION REVIEW CHANGES

Background

The FY 95 AGP contains four proposals to modify the Local Area Transportation Review (LATR) process. These four proposals respond to the County Council's directive to the Planning Board, in conjunction with Executive Branch staff, to make the LATR process more sensitive to non-auto means of travel. The proposals below look at sensitivity to transit and pedestrians. More work is needed to look at increasing sensitivity to ridesharing and other non-motorized transportation alternatives.

Executive staff judged the four proposals against five measures. They are:

1. **Compliance.** The change must comply with the Council's directive for greater non-auto sensitivity.
2. **Justified complexity.** Any increase in complexity is offset by a corresponding meaningful improvement in the process.
3. **Non-arbitrary.** The methodology, parameters and related aspects of the proposed changes should be based on documented, reproducible data and analyses.
4. **Rationality.** Does the proposed change give the desired effect in all, or the vast majority of circumstances?
5. **Pragmatic.** Is the proposed change a fine tuned instrument that will successfully address concerns in those circumstances it is directed towards; or is it a blunt instrument likely to impede most development proposals and thereby disrupt the frail economic recovery?

The four proposed changes can be summarized as follows:

- A. Vary Congestion Standards by Policy Area Transit Availability.
- B. Establish Adequacy for Pedestrian Transportation.
- C. Enable Flexibility by Transportation Enhancement Points.
- D. Reflect Mode Usage in Vehicle Trip Generation Rates by:
 - (1) Distance to Transit Station
 - (2) Neighborhood Design

In each case Executive staff recommends acceptance of the proposed changes to the LATR process, subject to modifications. The basis for Executive staff recommendations and suggested modifications, and a more lengthy description of the changes follows below.

A. Varying Congestion Standards by Policy Area Transit Availability

This technique is currently used in the Policy Area Transportation Review (PATR) process, where a greater amount of automobile congestion is tolerated in Policy Areas with more transit, HOV and ridesharing alternatives available. It is the technique which has given rise to the current PATR practice of having six groups of Policy Areas, with different Level-of-Service (LOS) standards in each. It is worth noting that the FY 94 AGP amendments recommend dropping the Policy Area groups technique in favor of a uniform comprehensive (transit and automobile) standard for the entire County.

The Varying Congestion Standards complies with the Council's directive. Added complexity will be offset with the general familiarity of the concept through the existing, generally accepted PATR process. The assignment of Policy Areas to a group is subjective, although it reflects consensus among planning department, Executive, and Council staffs along with private consultants participating in discussions on this proposed technique. Implementation of the proposed technique is easily handled; thus it is judged to be pragmatic.

One limitation of the recommended policy is the difficulty of finding a more direct mechanism to address modal choice in the LATR process. For example, if a proposed development has an associated trip reduction program such as discounted transit fare media there is no way to easily incorporate this into the LATR process through altered trip generation rates. The planning staff's recommendation indirectly approaches the problem by allowing for a higher Critical Lane Volume standard in areas where transit is readily available. Such transit availability would usually result in a greater modal share for transit, and thus a lower vehicle trip generation rate.

B. Establishing Adequacy for Pedestrian Transportation

The Planning Board proposes establishing an Adequate Public Facilities (APF) test for sidewalks. The purpose is to require, where feasible, a safe and convenient pedestrian path between proposed development sites and nearby activity locations. They point out that regulation of pedestrian movements is permitted (but not obligated) under section 50-25 of the approval procedures for preliminary plans of subdivision. The recommendation has laid out a somewhat cumbersome framework for determining which proposed developments would be subject to the new regulation and how compliance can be realized through mitigation techniques which are chiefly the construction of new sidewalks.

Executive staff's chief concern is over the practicality of the recommended policy change. County DOT noted that in some, but in no means all, circumstances where the County had proposed building new sidewalks, such proposals were sometimes vigorously opposed by some property owners. On the other hand, safe convenient walkways are surely an incentive for making trips either on foot, or by transit.

Although in most instances pedestrian walkways enhance the appearance of both

residential and non-residential development, and thus enhance the value of the development, there may well be cases where the requirement to build new sidewalks and pathways is just not cost-effective. The worry is that a strict interpretation of this new requirement may make some projects financially impractical, and thereby deny needed housing or non-residential development in the County. In addition, in some cases existing rights-of way may be inadequate to permit the construction of the desired sidewalk making it impossible for the developer, without the power of condemnation, to construct the sidewalk.

Recommendation

Executive staff recommends that the Planning Board's recommendation be accepted with the proviso that as much flexibility as possible be used in evaluating proposed developments against this new requirement and in the negotiations over the development requirements for each project. The County DOT should be given sign-off on projects requiring sidewalks to ensure coordination with County sidewalk projects and to determine the adequacy of pedestrian safety for proposed developments.

C. Enabling Flexibility by Transportation Enhancement Points

In some cases meeting the congestion standards for intersection performance through provision of additional capacity (e.g., turning lanes) is either not possible or prohibitively expensive. In these cases, Planning Board recommends that a modification to the LATR process be used that mitigates expected vehicle volumes through offsite improvements. The offsite improvements are either sidewalk construction, and/or the building of bus shelters.

An elaborate plan for implementation would be used that awards "points" for each segment of sidewalk constructed, or each bus shelter constructed. Restrictions on maximum points obtainable would apply. Points are translated into a traffic reduction factor, expressed as a percentage reduction of all associated trips. A maximum on the total number of trips mitigated would also be part of the modified LATR process.

The basis for the recommended change is a rough equivalency between trip mitigation program costs and sidewalk or bus shelter construction cost. That is, Planning staff determined a rough value of the annualized program cost for a trip mitigation program to remove one trip off the road. They then determined how much running feet of sidewalks or bus shelters could be purchased for the same dollar value. They then translated the sidewalk or bus shelter provision into a trip value which yields one trip not counted in the traffic analysis,

Recommendation

While Executive staff in general supports the concept of providing non-SOV enhancements, either on or offsite, we would have preferred a wider variety of enhancements that would be given points toward traffic mitigation, and thus a greater degree of flexibility. Consequently, we recommend that the proposed change be supported,

with the further recommendation that other trip enhancements be studied for future consideration.

D. Reflecting Mode Usage in Vehicle Trip Generation Rates

(1) Distance to a Transit Station

Current LATR methodology allows for the discounting of computed trip volumes associated with proposed office developments, where the office development is within one-half mile of a transit station. The reduction is based on the results of the trip generation rates study, undertaken by the consulting firm Douglas and Douglas for M-NCPPC in 1990. That study determined a lower trip generation rate for workers at general office buildings located in a transit station walkshed area compared to the Countywide average for office buildings not in the walkshed.

In response to the Council's directive to re-evaluate the Critical Lane Volume standards for LATR, the Planning Department developed a recommendation to discount vehicle trips related to proposed large retail (over 100,000 square feet) or multifamily developments near transit stations. Specifically, the proposed reduction for multifamily and large retail developments are as shown in Table 6 below.

TABLE 6. Trip Reduction Factors Related to Distance from Transit Stations

Distance to Transit Station	Reduction for Multifamily	Reduction for Retail
Zero	54%	27%
About 1/8 mile	40%	13%
About 1/4 mile	27%	0
About 1/2 mile	0	0
Reduction is taken from total number of vehicle trips that would occur under use of standard trip generation rates		

The Planning staff analysis references the JHK & Associates report, "1987 Post-Metrorail Study", as the basis for the reduction applied to multifamily housing. No reference is cited for the basis for the retail trip reductions.

The Planning Board's recommendation is responsive to the Council's directive. It is not overly complex nor cumbersome to understand or implement. The changes are rational, and it would be a very pragmatic change to the LATR process.

Certainly the changes recommended by planning staff seem reasonable. Most people's own experiences verify that at least some shoppers or employees use transit for travel to or from retail developments. Moreover, there is general consensus in the transportation planning literature that residents of multi-family housing in the vicinity of transit stations can and do use transit more than their non-transit located counterparts. However, developing a specific, statistically valid formula to indicate either modal sensitivity or private vehicle trip reduction factors as a function of distance to a transit station is difficult.

It is worth noting Planning staff used a statistically verified formula, determined for vehicle trips from office development as part of their trip generation study, and backed by the JHK & Associates study, to determine the vehicle trip reduction factors associated with office development. Planning staff is only assuming that a similar relationship between distance to a transit station and trip reductions for retail and multifamily developments will also exist.

Recommendation

While Executive staff accepts this proposal at the conceptual level, and agrees with the direction of the trip reductions as given in the table above, there is some concern over the magnitude of the proposed reduction. Therefore, Executive staff recommends that the proposed trip reduction factors be adopted, but suggest that Planning staff be asked to undertake more analysis to establish the basis for specifying the level of the reduction factors. Smaller retail developments may also be considered for these trip reductions.

Neighborhood Design

A recent study carried out by planning staff suggested that neighborhoods designed with pedestrian and transit concerns in mind enjoyed lower vehicle trip rates than their non-pedestrian/transit focused counterparts. This observation was used by planning staff to propose a change to the LATR process where developments sited in neighborhoods that meet pedestrian and transit focused design criteria could be granted a 5 percent trip reduction adjustment.

Planning staff's recommendation is clearly in compliance with the Council's directive. The conceptual basis is not complex to understand, and a simple 5 percent reduction is a pragmatic change to implement in the LATR process.

However, Executive staff is concerned with the proposal for at least two reasons. First, the study on which the LATR policy change is based has not been reviewed by a wide audience. It may contain problems that limit the accuracy of the findings. Secondly, the study's finding of reduced trip making may apply to total trip making, and not peak period trip making. As the LATR is concerned with peak period trip making, this would severely limit the applicability of the reports findings.

Recommendation

Executive staff recommends that the proposed policy change be adopted. However, we would suggest that there be further study of the impact of urban design on trip generation rates and an evaluation of the appropriate rate reduction factor that will reflect this urban design impact and also act as an incentive for encouraging transit serviceable and pedestrian friendly urban design.

APPENDIX

Table 1
HOUSING
Transportation Staging Ceiling Capacity Using
FY 94 & Draft FY 95 Net Ceilings
January 1, 1993 Base

Policy Areas	Pipeline 3/31/94 A	FY 94 Net Housing Ceilings B	FY 94 Remain- ing Capacity C=B-A	FY 95 Draft Net Housing Ceiling D	FY 95 Remain- ing Capacity E=D-A	Difference in Remaining Capacities F=E-C
Aspen Hill	2,439	(2,709)	(5,148)	(2,709)	(5,148)	0
Bethesda CBD	223	723	500	2,123	1,900	1,400
Bethesda/Chevy Chase	861	3,265	2,404	1,865	1,004	(1,400)
Clarksburg	55			55	0	
Cloverly	205	(1,286)	(1,491)	(1,286)	(1,491)	0
Damascus	363	(625)	(988)	(625)	(988)	0
Derwood/Shady Grove	95	1,474	1,379	1,474	1,379	0
Fairland/White Oak	1,293	(1,171)	(2,464)	(1,171)	(2,464)	0
Gaithersburg City	1,865	3,409	1,544	3,409	1,544	0
Germantown East	3,961	4,755	794	4,755	794	0
Germantown West	4,007	4,124	117	4,124	117	0
Germantown Town Center	138	1,902	1,764	1,902	1,764	0
Grosvenor	0	1,400	1,400	1,400	1,400	0
Kensington/Wheaton	620	2,449	1,829	7,449	6,829	5,000
Montgomery Village/Airpark	1,697	(2,277)	(3,974)	1,723	26	4,000
North Bethesda	358	2,109	1,751	2,109	1,751	0
North Potomac	1,329	(3,593)	(4,922)	(1,593)	(2,922)	2,000
Olney	2,222	2,412	190	2,412	190	0
Potomac	1,416	2,873	1,457	2,873	1,457	0
R & D Village	1,765	2,071	306	2,571	806	500
Rockville City	1,249	1,352	103	1,352	103	0
Silver Spring CBD	2,298	2,665	367	2,665	367	0
Silver Spring/Takoma Park	278	2,529	2,251	2,529	2,251	0
Twinbrook	0	300	300	300	300	0
Wheaton CBD	15	1,524	1,509	1,624	1,609	100
White Flint	751	1,700	949	1,700	949	0
Totals	29,503	43,036	20,914	50,414	26,423	11,600

Notes

Generally, Group I Policy Areas (e.g., Goshen, Travilah/Darnestown) are not assigned staging ceilings. In these areas, subdivision applications are subject to Local Area Transportation Review, as well as to relevant zoning and water and sewer constraints. The exception is Clarksburg, for which staging ceilings are recommended for the first time for FY95.

The ceilings indicate the amount of additional development that can be supported with transportation capacity available from the first four years of the anticipated FY95-00 CIP or FY94-99 State CTP. Negative numbers indicate the amount by which the estimated level of development exceeds the ceiling. This table does not include the estimated base level of housing, which is shown for each policy area in the Policy Area Profiles section of this document.

Although ceilings are shown for all policy areas, development in Potomac is controlled by the zoning, water and sewer constraints. Development in the Silver Spring CBD is controlled by the limits established by the Silver Spring Sector Plan.

Totals are not strictly additive; negative numbers are treated as zero for summation purposes. Therefore, the mathematic formulas at the top of each column do not apply to the "totals" line.

Source: The Montgomery Planning Board
Maryland-National Capital Park and Planning Commission

Table 2

EMPLOYMENT

Transportation Staging Ceiling Capacity Using

FY 94 & Draft FY 95 Net Ceilings

January 1, 1993 Base

Policy Areas	Pipeline 3/31/94 A	FY 94 Net Jobs Ceilings B	FY 94 Remain- ing Capacity C=B-A	FY 95 Draft Net Jobs Ceiling D	FY 95 Remain- ing Capacity E=D-A	Difference in Remaining Capacities F=E-C
Aspen Hill	14	348	334	348	334	0
Bethesda CBD	1,679	1,984	305	4,984	3,305	3,000
Bethesda/Chevy Chase	2,638	10,847	8,209	7,847	5,209	(3,000)
Clarksburg	3,929			3,929	0	
Cloverly	30	(155)	(185)	(155)	(185)	0
Damascus	213	298	85	298	85	0
Derwood/Shady Grove	2,569	142	(2,427)	2,892	323	2,750
Fairland/White Oak	6,484	(1,547)	(8,031)	(1,547)	(8,031)	0
Gaithersburg City	18,358	14,412	(3,946)	18,412	54	4,000
Germantown East	15,004	15,380	376	15,380	376	0
Germantown West	9,143	10,663	1,520	10,663	1,520	0
Germantown Town Center	2,697	7,104	4,407	7,104	4,407	0
Grosvenor	0	0	0	0	0	0
Kensington/Wheaton	249	4,212	3,963	15,562	15,313	11,350
Montgomery Village/Airpark	5,734	463	(5,271)	2,713	(3,021)	2,250
North Bethesda	6,184	6,684	500	6,684	500	0
North Potomac	228	114	(114)	364	136	250
Olney	887	1,549	662	1,549	662	0
Potomac	126	2,273	2,147	2,273	2,147	0
R & D Village	6,123	9,266	(2,857)	9,516	3,393	6,250
Rockville City	21,515	9,641	(11,874)	9,641	(11,874)	0
Silver Spring CBD	8,914	9,477	563	9,477	563	0
Silver Spring/Takoma Park	887	1,524	637	1,524	637	0
Twinbrook	0	971	971	971	971	0
Wheaton CBD	115	2,778	2,663	3,778	3,663	1,000
White Flint	1,174	4,239	3,065	4,239	3,065	0
Totals	114,894	108,369	30,407	140,148	46,663	27,850

Notes

Generally, Group I Policy Areas (e.g., Goshen, Travilah/Darnestown) are not assigned staging ceilings. In these areas, subdivision applications are subject to Local Area Transportation Review, as well as to relevant zoning and water and sewer constraints. The exception is Clarksburg, for which staging ceilings are recommended for the first time for FY95.

The ceilings indicate the amount of additional development that can be supported with transportation capacity available from the first four years of the anticipated FY95-00 CIP or FY94-99 State CIP. Negative numbers indicate the amount by which the estimated level of development exceeds the ceiling. This table does not include the estimated base level of housing, which is shown for each policy area in the Policy Area Profiles section of this document.

Although ceilings are shown for all policy areas, development in Potomac is controlled by the zoning, water and sewer constraints. Development in the Silver Spring CBD is controlled by the limits established by the Silver Spring Sector Plan.

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Source: The Montgomery County Planning Board
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